

**EXECUTION VERSION**

**SUPPLEMENTAL NOTE TRUST DEED**

**27 APRIL 2012**

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0012018-0002546 ICM:14841325.6

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	3
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties .....	4
6. Governing Law .....	4
7. Submission to Jurisdiction.....	4
 <b>Appendix</b>	
1. Terms and conditions of the Notes .....	6

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 27 April 2012

**BETWEEN:**

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

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010 and 21 April 2011 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to, amend and restate the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

**2. AMENDMENT AND RESTATEMENT OF THE TERMS AND CONDITIONS OF THE NOTES**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Supplemental Note Trust Deed.

### 3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

### 4. COUNTERPARTS

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

### 5. RIGHTS OF THIRD PARTIES

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

### 6. GOVERNING LAW

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

### 7. SUBMISSION TO JURISDICTION

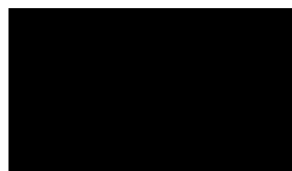
The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits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

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

#### The Issuer

**EXECUTED and DELIVERED as a DEED by**  
**FOSSE MASTER ISSUER PLC**  
acting by two directors  
per pro SFM Directors Limited and  
SFM Directors (No. 2) Limited

)  
)  
)  
)



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

in the presence of

Witness:  
Name:  
Address:

## APPENDIX 1

### TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following 21 April 2011 in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

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

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

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

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

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

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

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

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

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

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

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

### **1.1 Form and Denomination**

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

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

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

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

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

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

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

### **1.2 Register**

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

### **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all

purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

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

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

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

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

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

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

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

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

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



## 2.2 Conflict between the classes of Notes

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

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

The Note Trust Deed also contains provisions:

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

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

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

### 2.3 Security

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

## 3. COVENANTS

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

### 3.1 Negative Pledge

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

### 3.2 Disposal of Assets

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

### 3.3 Equitable Interest

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

### 3.4 Bank Accounts

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

### **3.5 Restrictions on Activities**

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

### **3.6 Borrowings**

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

### **3.7 Merger**

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

### **3.8 Waiver or Consent**

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

### **3.9 Employees or premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

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

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### **3.12 United States activities**

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

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Notes**

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

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

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final

Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

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

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

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

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

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

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar

month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

**(b) Rate of Interest**

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

- (i) ISDA Determination for Floating Rate Notes

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

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

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

- (ii) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered

quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

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

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

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

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

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

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

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

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day

month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

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

**(f) Determination or Calculation by Note Trustee**

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

**(g) Certificates to be final**

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

**4.3 Accrual of interest**

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

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

#### **4.4 Deferred Interest**

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

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

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

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

### **5. REDEMPTION AND MANDATORY TRANSFER**

#### **5.1 Final Redemption**

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

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

#### **5.2 Mandatory Redemption of the Notes in Part**

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

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

#### **5.3 Note Principal Payments and Principal Amount Outstanding**

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



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

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

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

#### **5.4 Optional Redemption in Full**

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

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

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

#### **5.5 Optional Redemption for Tax and other Reasons**

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

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

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

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

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

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

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

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

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

redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

## 5.6 Reserved

## 5.7 Redemption Amounts

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

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

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

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

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

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

## 5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## **6. PAYMENTS**

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

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

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

### **6.2 Laws and Regulations**

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

### **6.3 Payment of Interest following a failure to pay Principal**

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

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

### **6.5 No payment on non-Business Day**

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

### **6.6 Partial Payment**

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

## 6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

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

## 7. PRESCRIPTION

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

## 8. TAXATION

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

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

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

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of

remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

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

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

### 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

### 9.4 Class C Noteholders

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

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

### 9.5 Class D Noteholders

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

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

Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions;  
or

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

## 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

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

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and



- (b) it shall have been indemnified and/or secured to its satisfaction.

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

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

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## 11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

### 11.1 Meetings of Noteholders

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

#### (a) *Class A Notes*

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

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

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

**(b) Class B Notes**

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

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

**(c) Class M Notes**

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

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

**(d) Class C Notes**

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

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

**(e) Class D Notes**

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

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

**(f) Class Z Notes**

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

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

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

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

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

than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

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

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

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

## **11.2 Programme Resolution**

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

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

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

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

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

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

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

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

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

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

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

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

### 11.5 Modifications and Determinations by Note Trustee

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

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

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

### 11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

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

### 11.7 Exercise of Note Trustee's Functions

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

other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

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

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

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

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

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

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

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

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

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

### 13. REPLACEMENT OF NOTES

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

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

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

### 14. NOTICE TO NOTEHOLDERS

#### 14.1 Publication of Notice

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

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

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

#### 14.2 Date of Publication

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

#### 14.3 Global Notes

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

#### 14.4 Note Trustee's Discretion to Select Alternative Method

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

### 15. NOTES ISSUES

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



## 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

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

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

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

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

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

## 19. DEFINITIONS

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

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

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

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

**Alliance & Leicester** means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Class Z Noteholders** means the Holders of the Class Z Notes;

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

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

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

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

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

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester plc (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

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

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

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

**DTC** means The Depository Trust Company;

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

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

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

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

**FSA** means the Financial Services Authority;

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

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

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

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

**Funding 1 Account Bank** means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

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

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

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

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

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

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

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

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

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

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

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

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

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

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

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

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

**Initial Closing Date** means 28 November 2006;

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

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

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

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

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

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

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, amongst others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

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

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

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

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

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

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

**LIBOR** means the London inter-bank offered rate;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Provider** means State Street (Jersey) Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

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

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

**Notes** means any Global Notes or Definitive Notes;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Part VII Effective Date** means 28 May 2010;

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

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

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the

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

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

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

**Post-Enforcement Call Option Agreement** means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

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

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

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

**Rating Agencies** means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd.;

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

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

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

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



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

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

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

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

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

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

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

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

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

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

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

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

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

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

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

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

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

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

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

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

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 if denominated in sterling or €100,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

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

**Step-Up Date** means:

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

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

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

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

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

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

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

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

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

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

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

**EXECUTION VERSION**

**SUPPLEMENTAL NOTE TRUST DEED**

**27 APRIL 2012**

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0012018-0002546 ICM:14841325.6

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	3
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties .....	4
6. Governing Law .....	4
7. Submission to Jurisdiction.....	4
 <b>Appendix</b>	
1. Terms and conditions of the Notes .....	6

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 27 April 2012

**BETWEEN:**

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

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010 and 21 April 2011 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to, amend and restate the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

**2. AMENDMENT AND RESTATEMENT OF THE TERMS AND CONDITIONS OF THE NOTES**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Supplemental Note Trust Deed.

### 3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

### 4. COUNTERPARTS

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

### 5. RIGHTS OF THIRD PARTIES

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

### 6. GOVERNING LAW

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

### 7. SUBMISSION TO JURISDICTION

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

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

#### **The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
acting by two directors )  
per pro SFM Directors Limited and )  
SFM Directors (No. 2) Limited )

**The Note Trustee**

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

)  
)  
)  
)

By:  
Duly authorised attorney/signatory  
Name:

⌞

in the presence of

Witness:  
Name:  
Address:



## APPENDIX 1

### TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following 21 April 2011 in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

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

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

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

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

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

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

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

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

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

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

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

### **1.1 Form and Denomination**

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

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

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

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

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

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

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

### **1.2 Register**

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

### **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all

purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

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

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

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

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

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

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

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

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

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

## 2.2 Conflict between the classes of Notes

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

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

The Note Trust Deed also contains provisions:

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

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

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

### 2.3 Security

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

## 3. COVENANTS

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

### 3.1 Negative Pledge

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

### 3.2 Disposal of Assets

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

### 3.3 Equitable Interest

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

### 3.4 Bank Accounts

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

### **3.5 Restrictions on Activities**

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

### **3.6 Borrowings**

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

### **3.7 Merger**

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

### **3.8 Waiver or Consent**

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

### **3.9 Employees or premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

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

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### **3.12 United States activities**

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

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Notes**

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

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

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final

Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

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

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

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

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

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

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar

month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

**(b) Rate of Interest**

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

- (i) ISDA Determination for Floating Rate Notes

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

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

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

- (ii) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered



quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

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

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

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

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

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

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

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

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day

month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

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

**(f) Determination or Calculation by Note Trustee**

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

**(g) Certificates to be final**

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

**4.3 Accrual of interest**

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

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

#### **4.4 Deferred Interest**

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

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

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

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

### **5. REDEMPTION AND MANDATORY TRANSFER**

#### **5.1 Final Redemption**

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

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

#### **5.2 Mandatory Redemption of the Notes in Part**

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

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

#### **5.3 Note Principal Payments and Principal Amount Outstanding**

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

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

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

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

#### **5.4 Optional Redemption in Full**

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

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

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

#### **5.5 Optional Redemption for Tax and other Reasons**

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

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

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

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

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

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

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

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

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

redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

## 5.6 Reserved

## 5.7 Redemption Amounts

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

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

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

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

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

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

## 5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## **6. PAYMENTS**

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

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

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

### **6.2 Laws and Regulations**

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

### **6.3 Payment of Interest following a failure to pay Principal**

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

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

### **6.5 No payment on non-Business Day**

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

### **6.6 Partial Payment**

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

## 6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

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

## 7. PRESCRIPTION

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

## 8. TAXATION

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

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

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

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of



remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

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

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

### 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

### 9.4 Class C Noteholders

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

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

### 9.5 Class D Noteholders

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

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

Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions;  
or

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

## 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

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

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and

- (b) it shall have been indemnified and/or secured to its satisfaction.

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

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

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## 11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

### 11.1 Meetings of Noteholders

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

#### (a) *Class A Notes*

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

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

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

**(b) Class B Notes**

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

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

**(c) Class M Notes**

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

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

**(d) Class C Notes**

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

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

**(e) Class D Notes**

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

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

**(f) Class Z Notes**

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

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

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

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

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

than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

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

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

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

## **11.2 Programme Resolution**

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

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

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

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

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

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

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

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

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

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

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



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

### 11.5 Modifications and Determinations by Note Trustee

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

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

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

### 11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

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

### 11.7 Exercise of Note Trustee's Functions

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

other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

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

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

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

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

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

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

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

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

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

### 13. REPLACEMENT OF NOTES

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

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

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

### 14. NOTICE TO NOTEHOLDERS

#### 14.1 Publication of Notice

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

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

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

#### 14.2 Date of Publication

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

#### 14.3 Global Notes

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

#### 14.4 Note Trustee's Discretion to Select Alternative Method

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

### 15. NOTES ISSUES

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

## 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

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

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

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

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

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

## 19. DEFINITIONS

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

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

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

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

**Alliance & Leicester** means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Class Z Noteholders** means the Holders of the Class Z Notes;

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

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

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

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

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

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester plc (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

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

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

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

**DTC** means The Depository Trust Company;

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

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

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

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

**FSA** means the Financial Services Authority;

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

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

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

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

**Funding 1 Account Bank** means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

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

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

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

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

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

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

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

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

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

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

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

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

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

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

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

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

**Initial Closing Date** means 28 November 2006;

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

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

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

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

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

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

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, amongst others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

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

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

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



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

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

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

**LIBOR** means the London inter-bank offered rate;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Provider** means State Street (Jersey) Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

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

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

**Notes** means any Global Notes or Definitive Notes;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Part VII Effective Date** means 28 May 2010;

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

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

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the

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

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

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

**Post-Enforcement Call Option Agreement** means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

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

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

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

**Rating Agencies** means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd.;

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

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

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

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

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

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

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

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

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

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

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

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

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

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

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

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

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

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

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

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

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

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

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

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

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

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

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

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

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 if denominated in sterling or €100,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

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

**Step-Up Date** means:

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

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

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

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

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

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

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

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

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

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

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

**EXECUTION VERSION**

**SUPPLEMENTAL NOTE TRUST DEED**

\_\_\_\_ **AUGUST 2013**

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0083958-0000539 ICM:17737589.6

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties .....	4
6. Governing Law .....	5
7. Submission to Jurisdiction.....	5
 <b>Appendix</b>	
1. Terms and conditions of the Notes .....	6



**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on \_\_\_\_ August 2013

**BETWEEN:**

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

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2011, 21 April 2011, 27 April 2012 and 23 May 2012 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed, pursuant to Clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to: (i) insert a new Clause 21.4 to contemplate potential amendments in respect of EMIR and (ii) to amend and restate the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto.
- (C) The changes proposed in this Supplemental Note Trust Deed are not being made in relation to any Series and Class of Australian Notes nor is any action, step or proceeding or the exercise of any power or discretion to be taken in respect of, the covenant to pay in relation to such Series and Class of Australian Notes under Clause 2.2 of the Australian Deed Poll.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012 and 23 May 2012) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

- 2.1 The following is added as a new Clause 21.4 immediately after Clause 21.3 of the Existing Note Trust Deed:

“Subject to sub-clause 21.1 above, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to any modifications to these presents or any of the other Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under EMIR, irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee and/or the Mortgages Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; and (b) increasing the obligations or duties, or decreasing the protections of the Note Trustee in the Transaction Documents and/or the Conditions of the Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.”

- 2.2 The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Supplemental Note Trust Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

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

## **5. RIGHTS OF THIRD PARTIES**

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

**6. GOVERNING LAW**

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

**7. SUBMISSION TO JURISDICTION**

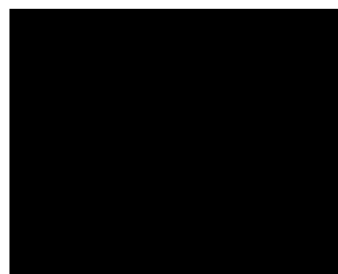
The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits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

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

**The Issuer**

**EXECUTED and DELIVERED as a DEED by**  
**FOSSE MASTER ISSUER PLC**  
acting by two directors  
per pro SFM Directors Limited and  
SFM Directors (No. 2) Limited

)  
)  
)  
)  
)



**The Note Trustee**

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

)  
)  
)  
)

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**6. GOVERNING LAW**

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

**7. SUBMISSION TO JURISDICTION**

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

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

**The Issuer**

**EXECUTED and DELIVERED as a DEED by**  
**FOSSE MASTER ISSUER PLC**  
acting by two directors  
per pro SFM Directors Limited and  
SFM Directors (No. 2) Limited

)  
)  
)  
)  
)

**The Note Trustee**

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

)  
)  
)  
)

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**APPENDIX 1**  
**TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

In relation to Non-ISE Listed Notes, the Issue Terms in relation to each Series and Class (or Sub-Class) of Non-ISE Listed Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such notes.

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

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

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

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

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

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

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

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

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

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

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

### **1.1 Form and Denomination**

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

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

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

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

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

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

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

### **1.2 Register**

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

### 1.3 Title

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

### 1.4 Transfers

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

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

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

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

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

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

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

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

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



- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

## 2.2 Conflict between the Classes of Notes

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

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

The Note Trust Deed also contains provisions:

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

according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

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

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

(v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

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

## 2.3 Security

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

## 3. COVENANTS

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

### 3.1 Negative Pledge

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

### **3.2 Disposal of Assets**

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

### **3.3 Equitable Interest**

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

### **3.4 Bank Accounts**

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

### **3.5 Restrictions on Activities**

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

### **3.6 Borrowings**

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

### **3.7 Merger**

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

### **3.8 Waiver or Consent**

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

### **3.9 Employees or premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

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

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### **3.12 United States activities**

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

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

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

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

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

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

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

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

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

## 4.2 Interest on Floating Rate Notes

### (a) *Interest Payment Dates*

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

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

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

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

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

### (b) *Rate of Interest*

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

- (i) ISDA Determination for Floating Rate Notes

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

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

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

(ii) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, USD-LIBOR, JPY-LIBOR or CAD-LIBOR, Brussels time, in the case of EURIBOR) or 10:10 a.m. (Sydney time, in the case of AUD-BBR-BBSW) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (ii)(A), no offered quotation appears or, in the case of clause (ii)(B), fewer than three offered quotations appear, in each case as at the specified time, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the specified time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent Bank by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the specified time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR or USD-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the

arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the specified time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR or USD-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest.

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

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

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

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

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

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

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

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

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

**(f) Determination or Calculation by Note Trustee**

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

**(g) Certificates to be final**

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

**4.3 Accrual of interest**

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

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



#### 4.4 Deferred Interest

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

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

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

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

### 5. REDEMPTION AND MANDATORY TRANSFER

#### 5.1 Final Redemption

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

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

#### 5.2 Mandatory Redemption of the Notes in Part

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

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

#### 5.3 Note Principal Payments and Principal Amount Outstanding

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

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

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

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

#### **5.4 Optional Redemption in Full**

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

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

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

## 5.5 Optional Redemption for Tax and other Reasons

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

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

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

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

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

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

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

## 5.6 Reserved

## 5.7 Redemption Amounts

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

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

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

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

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

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

## 5.8 Mandatory Transfer of Remarketable Notes

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

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

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

## **6. PAYMENTS**

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

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

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

### **6.2 Laws and Regulations**

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

### **6.3 Payment of Interest following a failure to pay Principal**

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

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

## 6.5 No payment on non-Business Day

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

## 6.6 Partial Payment

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

## 6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

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

## 7. PRESCRIPTION

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

## 8. TAXATION

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

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

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

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

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

## 9.2 Class B Noteholders

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

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

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

## 9.4 Class C Noteholders

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



Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

### 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

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

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

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

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

(a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and

(b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

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

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

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## 11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

### 11.1 Meetings of Noteholders

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

#### (a) Class A Notes

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

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

#### (b) Class B Notes

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

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

deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and

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

**(c) Class M Notes**

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

(i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;

(ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and

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

**(d) Class C Notes**

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

(i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;

(ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and

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

**(e) Class D Notes**

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

(i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;

(ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be

deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and

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

**(f) Class Z Notes**

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

(i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;

(ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and

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

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

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened

meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;

(d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

(e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

(f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an

Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

### **11.5 Modifications and Determinations by Note Trustee**

Subject as provided in the Note Trust Deed, 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, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

Without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to any modifications to these presents or any of the other Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant



to this paragraph which (in the sole opinion of the Note Trustee and/or the Mortgages Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; and (b) increasing the obligations or duties, or decreasing the protections of the Note Trustee in the Transaction Documents and/or the Conditions of the Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

#### **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and

(b) for so long as the notes are listed on the Official List and traded on the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, (i) published by delivery to the applicable clearing system, or (ii) filed with the Companies Announcement Office of the Irish Stock Exchange for publication in the Announcements section of the website of the Irish Stock Exchange.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to 14.1(b)(i) above, on the same day that such notice was delivered.

#### **14.3 Global Notes**

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### **14.4 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

### **15. NOTES ISSUES**

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

### **16. RATING AGENCIES**

If:

(a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and

(b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and

(c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates

specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## **17. GOVERNING LAW AND JURISDICTION**

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **19. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, acting through its London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**AUD-BBR-BBSW** means the average mid rate for Australian dollars of exchange which appears on the Reuters Screen BBSW Page;

**Basel II Framework** means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

**CAD LIBOR** means the London inter-bank offered rate for deposits in Canadian dollars;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Cash Manager** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

**Class** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester plc (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

**Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions specified as such in the applicable Subscription Agreement;

**Definitive Notes** means the note certificates representing the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S.\$, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro-zone inter-bank offered rate;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

**Euroclear** means Euroclear Bank S.A./N.V.;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**FSA** means the Financial Services Authority;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No. 1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) Account Bank A, Account Bank B and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, novated and/or supplemented from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

**Funding 1 Swap Agreement** means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Australian dollars, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Priority of Payments** means the Issuer Pre-Acceleration Revenue Priority of Payments, the Issuer Pre-Acceleration Principal Priority of Payments, the Issuer Post-Acceleration Principal Priority of Payments or the Issuer 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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Swap Providers** means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

**Issue Terms** means, in relation to any Series of Non-ISE Listed Notes, the issue terms issued in relation to such Series of Non-ISE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-ISE Listed Notes;

**JPY LIBOR** means the London inter-bank offered rate for deposits in Japanese yen;

**LIBOR** means the London inter-bank offered rate;

**Loan** means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee** means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date among State Street (Jersey) Limited, the Mortgages Trustee and Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date), as novated to State Street Capital Markets Services (Jersey) Limited (now Sanne Corporate Services Limited) on 1 June 2013, pursuant to a novation letter dated 13 May 2013 from State Street Global Services to the Mortgages Trustee and Santander UK, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Provider** means Sanne Corporate Services Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-ISE Listed Notes** means any notes listed and/or traded on any exchange other than the Irish Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in Condition 9;

**Noteholders** means the Holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the Irish Stock Exchange;

**Part VII Effective Date** means 28 May 2010;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**PECOH Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECO Corporate Services Agreement;

**Post-Enforcement Call Option Agreement** means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Post-Enforcement Call Option Holder or PECO** means Fosse PECO Limited;

**Post-Enforcement Call Option Holder Corporate Services Agreement or PECO Corporate Services Agreement** means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended, restated, novated and/or supplemented from time to time);

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or

(b) February, May, August and November; or

(c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest and Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd.;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, novated and/or supplemented from time to time);

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Step-Up Date** means:

(a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and

(b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, Pounds Sterling or £** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-Unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**USD-LIBOR** means the London inter-bank offered rate for deposits in U.S. dollars; and

**U.S. Paying Agent** means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

**EXECUTION COPY**

**SUPPLEMENTAL NOTE TRUST DEED**

9 OCTOBER 2014

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0083958-0000626 ICM:20093517.6

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties .....	4
6. Governing Law .....	5
7. Submission to Jurisdiction.....	5
 <b>Appendix</b>	
1. Terms and conditions of the Notes .....	6



**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 9 October 2014

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2011, 21 April 2011, 27 April 2012, 23 May 2012 and 19 August 2013 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed, pursuant to Clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend and restate the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto for the purposes of replacing references to Canadian Dollar LIBOR (CAD LIBOR) with references to Canadian Dealer Offered Rate (CDOR).
- (C) The changes proposed in this Supplemental Note Trust Deed are not being made in relation to any Series and Class of Australian Notes nor is any action, step or proceeding or the exercise of any power or discretion to be taken in respect of, the covenant to pay in relation to such Series and Class of Australian Notes under Clause 2.2 of the Australian Deed Poll.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012 and 19 August 2013) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

**2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Appendix 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Supplemental Note Trust Deed.

**3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

**4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile or electronic transmission).

**5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

**7. SUBMISSION TO JURISDICTION**

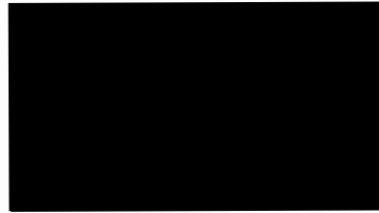
The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

**The Issuer**

**EXECUTED** and **DELIVERED** as a **DEED** by  
**FOSSE MASTER ISSUER PLC**  
acting by two directors  
per pro SFM Directors Limited and  
SFM Directors (No. 2) Limited

)  
)  
)  
)  
)



**The Note Trustee**

**EXECUTED** and **DELIVERED** as a **DEED** by  
**LAW DEBENTURE TRUST COMPANY**  
**OF NEW YORK**  
acting by its authorised signatory

)  
)  
)  
)

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
acting by two directors )  
per pro SFM Directors Limited and )  
SFM Directors (No. 2) Limited )

**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**LAW DEBENTURE TRUST COMPANY** )  
**OF NEW YORK** )  
acting by its authorised signatory

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**APPENDIX 1**  
**TERMS AND CONDITIONS OF THE NOTES**

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

In relation to Non-ISE Listed Notes, the Issue Terms in relation to each Series and Class (or Sub-Class) of Non-ISE Listed Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such notes.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

### **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

### **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership,

theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.



## 2.2 Conflict between the Classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof

on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;

- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

## **2.3 Security**

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## **3. COVENANTS**

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### **3.12 United States activities**

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the

relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## **4.2 Interest on Floating Rate Notes**

### **(a) Interest Payment Dates**

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If a Business Day Convention is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR, EURIBOR, AUD-BBR-BBSW, JPY LIBOR or CDOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. London time (in the case of LIBOR, USD-LIBOR or JPY-LIBOR), 11.00 a.m. Brussels time (in the case of EURIBOR), 10.15

a.m. Toronto time (in the case of CDOR) or 10:10 a.m. Sydney time (in the case of AUD-BBR-BBSW) (the **Specified Time**) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (ii)(A), no offered quotation appears or, in the case of clause (ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent Bank by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Determination or Calculation by Note Trustee**

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above,

the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

**(g) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

**5. REDEMPTION AND MANDATORY TRANSFER**

**5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.



The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5** below, but without prejudice to **Condition 9**.

## **5.2 Mandatory Redemption of the Notes in Part**

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

## **5.3 Note Principal Payments and Principal Amount Outstanding**

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

## **5.4 Optional Redemption in Full**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption.

## 5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes as under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

## 5.6 Reserved

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5** or **5.6** above or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and

- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

## **5.8 Mandatory Transfer of Remarketable Notes**

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## **6. PAYMENTS**

### **6.1 Payment of Interest and Principal**

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### **6.3 Payment of Interest following a failure to pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will

endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

## **6.5 No payment on non-Business Day**

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## **8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

## 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in

the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

## 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).



## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

### 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more

Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

### 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

#### **11.5 Modifications and Determinations by Note Trustee**

Subject as provided in the Note Trust Deed, 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, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or

- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

Without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to any modifications to these presents or any of the other Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee and/or the Mortgages Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; and (b) increasing the obligations or duties, or decreasing the protections of the Note Trustee in the Transaction Documents and/or the Conditions of the Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

## **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

## **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## 12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.



### 13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### 14. NOTICE TO NOTEHOLDERS

#### 14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the notes are listed on the Official List and traded on the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, (i) published by delivery to the applicable clearing system, or (ii) filed with the Companies Announcement Office of the Irish Stock Exchange for publication in the Announcements section of the website of the Irish Stock Exchange.

#### 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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to 14.1(b)(i) above, on the same day that such notice was delivered.

#### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

### 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

### 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and

- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, acting through its London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**AUD-BBR-BBSW** means the average mid rate for Australian dollars of exchange which appears on the Reuters Screen BBSW Page;

**Basel II Framework** means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

**CDOR** means the Canadian Dealer Offered Rate, the recognised benchmark index for Canadian bankers' acceptances, as further described in the Issuer Master Definitions and Construction Schedule under "**Canadian Bankers Acceptances**";

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Cash Manager** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

**Class** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester plc (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

**Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions specified as such in the applicable Subscription Agreement;

**Definitive Notes** means the note certificates representing the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S.\$, U.S. Dollars** or **\$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro-zone inter-bank offered rate;

**Euro, euro** or **€** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

**Euroclear** means Euroclear Bank S.A./N.V.;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**FSA** means the Financial Services Authority;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, acting through its London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

**Funding 1 Swap Agreement** means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Australian dollars, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the Issuer Master Definitions and Construction Schedule signed on or about the Initial Closing Date, as the same may be amended, restated, replaced, novated and/or supplemented from time to time;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

**Issuer Swap Providers** means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

**Issue Terms** means, in relation to any Series of Non-ISE Listed Notes, the issue terms issued in relation to such Series of Non-ISE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-ISE Listed Notes;

**JPY LIBOR** means the London inter-bank offered rate for deposits in Japanese yen;

**LIBOR** means the London inter-bank offered rate, as further described in the Issuer Master Definitions and Construction Schedule;

**Loan** means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee** means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date among State Street (Jersey) Limited, the Mortgages Trustee and Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date), as novated to State Street Capital Markets Services (Jersey) Limited (now Sanne Corporate Services Limited) on 1 June 2013, pursuant to a novation letter dated 13 May 2013 from State Street Global Services to the Mortgages Trustee and Santander UK, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Provider** means Sanne Corporate Services Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;



**Non-ISE Listed Notes** means any notes listed and/or traded on any exchange other than the Irish Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the Holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the Irish Stock Exchange;

**Part VII Effective Date** means 28 May 2010;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**PECOH Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECO Corporate Services Agreement;

**Post-Enforcement Call Option Agreement** means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Post-Enforcement Call Option Holder or PECO** means Fosse PECO Limited;

**Post-Enforcement Call Option Holder Corporate Services Agreement or PECO Corporate Services Agreement** means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended, restated, novated and/or supplemented from time to time);

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest and Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd.;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Banks** has the meaning given to it in the Issuer Master Definitions and Construction Schedule;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, novated and/or supplemented from time to time);

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)(ii)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, Pounds Sterling or £** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-Unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**USD-LIBOR** means the London inter-bank offered rate for deposits in U.S. dollars, as further described in the Issuer Master Definitions and Construction Schedule ; and

**U.S. Paying Agent** means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

**EXECUTION VERSION**

# **SUPPLEMENTAL NOTE TRUST DEED**

**29 APRIL 2016**

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0083958-0000693 ICM:22391064.8

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	6
4. Counterparts .....	6
5. Rights of Third Parties .....	6
6. Governing Law .....	6
7. Submission to Jurisdiction.....	6
 <b>Schedule</b>	
1. Terms and conditions of the Notes .....	8
2. Form of Definitive Note .....	9
3. Form of Final Terms.....	13

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 29 April 2016

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 and 9 October 2014 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.
- (C) The changes proposed in this Supplemental Note Trust Deed are not being made in relation to any Series and Class of Australian Notes, nor is any action, step or proceeding or the exercise of any power or discretion to be taken in respect of the covenant to pay in relation to any Series and Class of Australian Notes under clause 2.2 of the Australian Deed Poll.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

### **2.1 Tax Certificate**

2.2 The Issuer and the Note Trustee agree that a new Clause 5.9 (b), (c) and (d) shall be inserted into the Existing Note Trust Deed as follows:

“(b) Without prejudice to Clause 5.8(a) above, upon deposit of the funds received in relation to the funding under the Class Z Variable Funding Note pursuant to the Subscription Agreement and the Transaction Documents, the Issuer (or the Cash Manager on its behalf) shall promptly:

(i) notify the Registrar of such purchase or increase; and

(ii) procure the updating of the Register to reflect such purchase or increase.

Without prejudice to Clause 5.8(a) above, the Issuer shall procure the updating of the Register upon any repayment or prepayment of the Class Z Variable Funding Note.

(c) Title to the Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Register provided that no transferee shall be registered as a new Class Z Variable Funding Noteholder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, *inter alios*, the Registrar and the Issuer that it is: (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986; (B) independent of the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder by way of a Tax Certificate.

(d) The entries in the Register shall be conclusive evidence of title to and, where noted therein, beneficial interest in the Class Z Variable Funding Note in the absence of manifest error, and the Issuer, Funding 1, the Mortgages Trustee, the Note Trustee, the Issuer Security Trustee and the Registrar shall be entitled to treat the registered holder whose identity is recorded in the Register as the holder of the Class Z Variable Funding Note and except as ordered by a court of competent jurisdiction or as required by application of law, notwithstanding notice to the contrary or anything to the contrary contained herein (but subject to any annotation of the Register in respect of the beneficial interest of the Class Z Variable Funding Note Holder) unless such person is designated a nominee for another person when at its election such other person may be treated as the said holder.

(e) The Issuer shall procure that the Register shall be available for inspection by the Note Trustee, the Security Trustee or the Class Z Variable Funding Note Holder, or any third party on behalf of any of them, at any reasonable time upon reasonable prior notice to the Issuer and the Registrar. No transfer or assignment of the Class Z Variable Funding Note otherwise permitted hereunder shall be effective unless and until it has been duly recorded in the Register as provided in Clause 5.9”

### **2.3 FATCA Withholding Tax**

2.4 The Issuer and the Note Trustee agree that a new Clause 6(c) shall be inserted into the Existing Note Trust Deed as follows:

“(c) To the extent permitted by law, and upon reasonable written request by the Trustee, which request shall specify the information to be provided, the Issuer shall use commercially



reasonable efforts to provide the Trustee with information in the possession of the Issuer so as to enable the Trustee to determine whether and in what amount it is obliged, in respect of payments to be made by it pursuant to this Trust Deed, to make any withholding or deduction pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (**FATCA Withholding Tax**), and the Trustee shall be entitled to deduct FATCA Withholding Tax and shall have no obligation to gross-up any payment hereunder or to pay any additional amount as a result of such FATCA Withholding Tax.”

## 2.5 **Rating Agency Modification**

2.6 The Issuer and the Note Trustee agree that a new Clause 21.2(e) shall be inserted into the Existing Note Trust Deed as follows:

- “(e) With respect only to Notes issued on or after 29 April 2016 (and which are not consolidated with and do not form a single Series and Class with any Notes issued prior to such date) (the **New Notes**), the Note Trustee shall, without the consent of any Noteholder or other Issuer Secured Creditor, be required to give its consent to any modifications to these presents or any of the other Transaction Documents and/or the Conditions applying to such New Notes and/or any related Receipts and/or Coupons that are requested by the Issuer (or the Issuer Cash Manager on its behalf), provided that the Issuer has certified to the Note Trustee in writing that such modifications are required solely for the purposes of enabling the Issuer:
- (i) to remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating any Series and Class of New Notes together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an **Existing Rating Agency Removal**) in so far as these relate solely to such Series and Class of New Notes; and/or
  - (ii) to reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies to provide a rating in respect of any Series and Class of New Notes and include the then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), provided that, in each case and at all times, such Series and Class of New Notes continues to be rated by at least two Rating Agencies, and subject as provided below.

The holders of the New Notes shall be deemed to have instructed the Note Trustee to concur in effecting any such Ratings Modification Event and shall be bound by the modifications to the Transaction Documents and/or the Conditions of the relevant Series and Class of New Notes made for the purpose of implementing such Ratings Modification Event, regardless of whether or not such modifications are materially prejudicial to the interests of the holders of the New Notes, provided that the Note Trustee shall not be obliged to agree to any Ratings Modification Event which, in the sole opinion of the Note Trustee, would have the effect of (x) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (y) increasing the obligations or duties, or decreasing the protections, of the Note Trustee under the Transaction Documents and/or the Conditions.”

## **2.7 Conditions**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

## **2.8 Form of Definitive Note**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the form of Definitive Note as set out in Schedule 2 (*Form of Definitive Note*) hereto.

## **2.9 Form of Final Terms**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the form of Final Terms as set out in Schedule 3 (*Form of Final Terms*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the form of Final Terms set out in Schedule 3 (*Form of Final Terms*) hereto apply only to Notes issued on or after the date of this Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile or electronic transmission).

## **5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **7. SUBMISSION TO JURISDICTION**

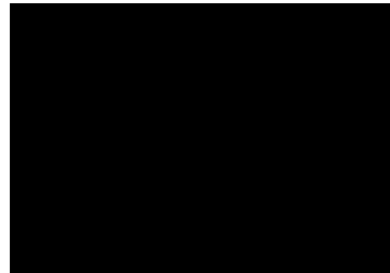
The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any

objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
Per pro SFM Directors Limited as Director )  
Per pro SFM Directors (No. 2) Limited as Director )



**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**LAW DEBENTURE TRUST COMPANY** )  
**OF NEW YORK** )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
Per pro SFM Directors Limited as Director )  
Per pro SFM Directors (No. 2) Limited as Director )

**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**LAW DEBENTURE TRUST COMPANY** )  
**OF NEW YORK** )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

## **SCHEDULE 1**

### **TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017, and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP, and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

### **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in

whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

### 1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

### 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:



(A) a company resident in the United Kingdom; or

(B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## **2. STATUS, PRIORITY AND SECURITY**

### **2.1 Status**

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

(a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;

(b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;

(c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;

(d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;

(e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and

(f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### **2.2 Conflict between the Classes of Notes**

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

(a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

(b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

(c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may

be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

(d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and

(e) subject to (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

(i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;

(ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

(iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;

(iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and

(v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating

Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

### **2.3 Security**

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## **3. COVENANTS**

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### 3.9 Employees or Premises

have any employees or premises or subsidiaries;

### 3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### 3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if "Actual/Actual (ICMA)" is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

(b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## 4.2 Interest on Floating Rate Notes

### (a) *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If a Business Day Convention is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or

(ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and

(ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and

(iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business

Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

**(i) ISDA Determination for Floating Rate Notes**

Where "ISDA Determination" is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR, EURIBOR, AUD-BBR-BBSW, JPY LIBOR or CDOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions.

**(ii) Screen Rate Determination for Floating Rate Notes**

Where "Screen Rate Determination" is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. London time (in the case of LIBOR, USD-LIBOR or JPY-LIBOR), 11.00 a.m. Brussels time (in the case of EURIBOR), 10.15 a.m. Toronto time (in the case of CDOR) or 10:10 a.m. Sydney time (in the case of AUD-BBR-BBSW) (the **Specified Time**) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (ii)(A), no offered quotation appears or, in the case of clause (ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent Bank by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

(i) if "Actual/365 or Actual/Actual (ISDA)" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Determination or Calculation by Note Trustee**

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

**(g) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.



### 4.3 Accrual of Interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

### 4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

### 4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9** below, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2** above.

## **5. REDEMPTION AND MANDATORY TRANSFER**

### **5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5** below, but without prejudice to **Condition 9**.

### **5.2 Mandatory Redemption of the Notes in Part**

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

### **5.3 Note Principal Payments and Principal Amount Outstanding**

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or

calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

#### **5.4 Optional Redemption in Full**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption.

#### **5.5 Optional Redemption for Tax and other Reasons**

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure

requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

## **5.6 Optional Redemption in Part**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6** above or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

## 5.8 Mandatory Transfer of Remarketable Notes

(a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

(ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the Seller Share to be reduced below the Minimum Seller Share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:

- (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## **6. PAYMENTS**

### **6.1 Payment of Interest and Principal**

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### **6.3 Payment of Interest Following a Failure to Pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

### **6.5 No Payment on Non-Business Day**

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a

Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## **8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## **9. EVENTS OF DEFAULT**

### **9.1 Class A Noteholders**

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall

forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## **9.2 Class B Noteholders**

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below)



and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

### **9.3 Class M Noteholders**

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

### **9.4 Class C Noteholders**

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

## 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

(a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and

(b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

### 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

(a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and

(c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or

interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of

being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary

Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

### 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

#### **11.5 Modifications and Determinations by Note Trustee**

Subject as provided in the Note Trust Deed, 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, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or



(d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

Without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a Ratings Modification Event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

## 11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in

respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investigating the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the notes are admitted to trading on the London Stock Exchange's regulated market and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to 14.1(b)(i) above, on the same day that such notice was delivered.

### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

### 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

## 16. RATING AGENCIES

If:

(a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and

(b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and

(c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

(a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and

(b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **19. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, acting through its London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**AUD-BBR-BBSW** means the average mid rate for Australian dollars of exchange which appears on the Reuters Screen BBSW Page;

**Basel II Framework** means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

**CDOR** means the Canadian Dealer Offered Rate, the recognised benchmark index for Canadian bankers' acceptances, as further described in the Issuer Master Definitions and Construction Schedule under "**Canadian Bankers Acceptances**";

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Cash Manager** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

**Class** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S.\$, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear Bank S.A./N.V.;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the base prospectus and any Series and Class of Notes issued on or after the date of the base prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date;

**Existing Rating Agency Reappointment** has the meaning given to it in Condition 11.5;

**Existing Rating Agency Removal** has the meaning given to it in Condition 11.5;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, acting through its London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);



**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Australian dollars, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the

provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means the Issuer Interest Rate Swap Agreements, and in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means, in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**JPY LIBOR** means the London inter-bank offered rate for deposits in Japanese yen;

**LIBOR** means the London inter-bank offered rate, as further described in the Issuer Master Definitions and Construction Schedule;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Structured Finance Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee 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 Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the UKLA;

**Part VII Effective Date** means 28 May 2010;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**PECOH Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECO Corporate Services Agreement;

**Post-Enforcement Call Option Agreement** means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Post-Enforcement Call Option Holder** or **PECOH** means Fosse PECO Limited;

**Post-Enforcement Call Option Holder Corporate Services Agreement** or **PECOH Corporate Services Agreement** means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, at any time, the rating agencies then rating the relevant Series and Class of Notes, being, in respect of the Existing Notes, each of Standard & Poor's Rating Services (**S&P**), a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited (**Moody's**) and Fitch Ratings Ltd. (**Fitch**) (each a **Rating Agency**) and in respect of each Series and Class of Notes issued on or after the date of the base prospectus, at least two of S&P, Moody's and Fitch;

**Ratings Modification Event** has the meaning given to it in Condition 11.5;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Banks** has the meaning given to it in the Issuer Master Definitions and Construction Schedule;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in Condition 11.5;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)(ii)**;

**Step-Up Date** means:

(a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and

(b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, Pounds Sterling** or **£** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**UKLA** means the UK Listing Authority;

**USD-LIBOR** means the London inter-bank offered rate for deposits in U.S. dollars, as further described in the Issuer Master Definitions and Construction Schedule; and

**U.S. Paying Agent** means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.



## SCHEDULE 2

### FORM OF DEFINITIVE NOTE

#### FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number 5925693)

[US\$][€][£][●] [●] Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Asset Backed  
Floating Rate Notes due [●]  
(the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes)

This [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note forms one of a series of notes constituted by a note trust deed (the **Note Trust Deed**) dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013, 9 October 2014 and 29 April 2016 made between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as note trustee for the holders of the [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes (the **Note Trustee**) and issued as registered [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes in denominations of [US\$200,000][€100,000][£100,000][●] each, plus integral multiples of [US\$1,000][€1,000][£1,000][●], or in such other denominations (which must be higher than [●]) as the Note Trustee shall determine and notify to the holders of the relevant [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes.

**THIS IS TO CERTIFY** that [●]

is/are the registered holder(s) of one of the above-mentioned registered [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes, such [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes being in the denomination of [U.S. dollars/euro/pounds sterling/other] and is/are entitled on the Interest Payment Date falling in [●] (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the terms and conditions of the [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Notes (the **Conditions**) endorsed hereon) to the repayment of such principal sum of:

[US\$][€][£][●]

[*Class Z Variable Funding Notes only*] [the principal sum in the amounts specified in 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.

Interest is payable on the Principal Amount Outstanding (as defined in **Condition** [●]) endorsed hereon of this [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note at rates determined in accordance with the **Conditions** payable monthly or quarterly, as the case may be, in arrear on each Interest Payment Date and together with such other amounts (if any) as may be payable, all subject to and in accordance with the **Conditions** and the provisions of the Note Trust Deed.

**IN WITNESS WHEREOF** this registered [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note has been executed on behalf of the Issuer.

**FOSSE MASTER ISSUER PLC**

By:

\_\_\_\_\_

per pro SFM Directors Limited, as Director

By: \_\_\_\_\_  
per pro SFM Directors (No. 2) Limited, as Director

Dated

**Certificate of authentication**

This [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note is duly authenticated without recourse, warranty or liability.

\_\_\_\_\_  
Duly authorised  
for and on behalf of  
**CITIBANK, N.A.**  
as Registrar

**(REVERSE OF NOTE)**

**THE CONDITIONS**

[In the form set out in the Note Trust Deed]

## FORM OF TRANSFER OF DEFINITIVE NOTE

**FOR VALUE RECEIVED** the undersigned hereby transfer(s) to

---

---

---

(Please print or type name and address (including postal code) of transferee)

[US\$][€][£][●] principal amount of this [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note and all rights hereunder, hereby irrevocably constituting and appointing as attorney to transfer such principal amount of this [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note in the register maintained by or on behalf of **FOSSE MASTER ISSUER PLC** with full power of substitution.

Signature(s) \_\_\_\_\_

Date: \_\_\_\_\_

### NOTES:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Note Trust Deed and the Paying Agent and Agent Bank Agreement (as defined in the Conditions) and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this [Series [●]] Class [A]/[B]/[M]/[C]/[D]/[Z]/[Z Variable Funding] Note in every particular, without alteration or enlargement or any change whatever.

**SCHEDULE 3**  
**FORM OF FINAL TERMS**

## FORM OF FINAL TERMS

### Final Terms dated [●]

(relating to the base prospectus dated [29] April 2016 [as supplemented on [●]])

### FOSSE MASTER ISSUER PLC

(incorporated with limited liability in England and Wales with registered number 5925693)

### Residential Mortgage Backed Note Programme

### Issue of [●]-[●] Notes

Series	Class	Interest rate	Initial principal amount	Issue price	Scheduled or bullet redemption dates (if applicable)	Step-up date (if applicable)	Final maturity date
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]%	[●]	[●]	[●]

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the base prospectus dated [●] 2016 [as supplemented on [●]], which constitutes a base prospectus (the **base prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (the **Prospectus Directive**). [This document constitutes the final terms (the **final terms**) of the notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus.] Full information on the issuer and the offer of the series and classes (or sub-classes) of notes described herein is only available on the basis of the combination of these final terms and the base prospectus. The base prospectus and these final terms are available for viewing at 35 Great St. Helen's, London EC3A 6AP and physical copies may be obtained from the registered office of the issuer at 35 Great St. Helen's, London EC3A 6AP. A copy may also be obtained from the website of the London Stock Exchange at <http://www.londonstockexchange.com>.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the **Conditions**) set forth in the base prospectus dated [original date] which are incorporated by reference in the base prospectus dated [current date]. [This document constitutes the final terms (the **final terms**) of the notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (the **Prospectus Directive**).] Full information on the issuer and the offer of the notes is only available on the basis of the combination of these final terms and the base prospectus dated [current date]. The base prospectus and these final terms are available for viewing at 35 Great St. Helen's, London EC3A 6AP and copies may be obtained from the registered office of the issuer at 35 Great St. Helen's, London EC3A 6AP. A copy may also be obtained from the website of the London Stock Exchange at <http://www.londonstockexchange.com>.]

[The issue 20[●]-[●] notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the state securities laws of any state of the United States and the issue 20[●]-[●] notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except to persons that are QIBs within the meaning of Rule 144A, or in transactions that occur outside the United States to persons other than U.S. persons in accordance with Regulation S or in other transactions exempt from registration under the Securities Act and, in each case, in compliance with applicable securities laws.]

### ARRANGER FOR THE ISSUE

[●]

## DEALERS AND MANAGERS

[•]

[•]

[•]

dated [•]

**[A column to be added for each further class of notes of the applicable series on the right hand side of the page]**

1.	Class:	[●]	[●]
	[Class Z Variable Funding Note:]	[Applicable/Not Applicable]	[Applicable/Not Applicable]
2.	Series Number:	[●]	[●]
3.	Issuer:	Fosse Master Issuer plc	Fosse Master Issuer plc
4.	Specified Currency or Currencies:	[●]	[●]
5.	Initial Principal Amount:	[●]	[●]
6.	(a) Issue Price:	[●]% of the Initial Principal Amount [plus accrued interest from [●]]	[●]% of the Initial Principal Amount [plus accrued interest from [●]]
	(b) Net proceeds:	[●]	[●]
7.	Required Subordinated Percentage:	[●]%	[●]%
8.	(a) General Reserve Required Amount:	[●]	[●]
	(b) Arrears or Step-up Trigger Event:		
	• item (i) of General Reserve Fund increased amount:	£[●]	£[●]
	• item (ii) of General Reserve Fund increased amount:	£[●]	£[●]
	• items (i) and (ii) of General Reserve Fund increased amount:	£[●]	£[●]
9.	Interest-only mortgage level test:	“C” for these purposes is [●]	“C” for these purposes is [●]
10.	Ratings ([Fitch/Moody's/Standard & Poor's]):	[[●]/[●]/[●]]	[[●]/[●]/[●]]
		[Fitch Ratings Ltd. ( <b>Fitch</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]	[Fitch Ratings Ltd. ( <b>Fitch</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]
		[Moody's Investors Service Limited ( <b>Moody's</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]	[Moody's Investors Service Limited ( <b>Moody's</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]
		[Standard & Poor's Credit Market Services Europe Limited ( <b>S&amp;P</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]	[Standard & Poor's Credit Market Services Europe Limited ( <b>S&amp;P</b> ) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]



		1060/2009 (as amended). Standard & Poor's Credit Market Services Europe Limited operates under its trading name Standard & Poor's Rating Services.]	Market Services Europe Limited operates under its trading name Standard & Poor's Rating Services.]
		[Not Applicable]	[Not Applicable]
11.	Specified Denominations:	[●]	[●]
12.	(a) Closing Date/Issue Date:	[●]	[●]
	(b) Interest Commencement Date:	[●]	[●]
13.	Final Maturity Date:	[●] [Floating rate – Interest Payment Date falling in or nearest to [●]]	[●] [Floating rate – Interest Payment Date falling in or nearest to [●]]
14.	Interest Basis:	[[●]% Fixed Rate] [[[●] LIBOR/[●] EURIBOR/[●] USD-LIBOR/[●] AUD-BBR-BBSW/[●] JPY LIBOR/[●] CDOR]] +/- [●]% Floating Rate]/[Zero Coupon] [until the Step-Up Date, and thereafter as set out under "Provisions Relating to Interest (if any) Payable" below]]	[[●]% Fixed Rate] [[[●] LIBOR/[●] EURIBOR/[●] USD-LIBOR/[●] AUD-BBR-BBSW/[●] JPY LIBOR/[●] CDOR]] +/- [●]% Floating Rate]/[Zero Coupon] [until the Step-Up Date, and thereafter as set out under "Provisions Relating to Interest (if any) Payable" below]]
15.	Redemption/Payment Basis:	[Bullet Redemption] [Scheduled Redemption] [Pass-Through]	[Bullet Redemption] [Scheduled Redemption] [Pass-Through]
16.	Change of Interest Basis or Redemption/Payment Basis:	[Not Applicable] / [Following the Step-Up Date] [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] +/- [●]% Floating Rate] [and] [Following the occurrence of a Pass-Through Trigger Event [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] +/- [●]% Floating Rate]]	[Not Applicable] / [Following the Step-Up Date] [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] +/- [●]% Floating Rate] [and] [Following the occurrence of a Pass-Through Trigger Event [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] +/- [●]% Floating Rate]]

17.	(a)	Listing:	London Stock Exchange's Regulated Market	London Stock Exchange's Regulated Market
	(b)	Estimate of total expenses related to admission to trading:	[For all notes][●]	[For all notes][●]
18.		Method of distribution:	[Syndicated/Non-syndicated/Retained]	[Syndicated/Non-syndicated/Retained]
19.		Placement disclosure for PCS purposes only:	[Not Applicable/Applicable: [Private/Public/Retained] ]	[Not Applicable/Applicable: [Private/Public/Retained]]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

20.		Fixed Rate Note Provisions:	[Applicable] [Not Applicable] [Applicable until [the earlier to occur of] [the Step-up Date] [and/or] [a Pass-Through Trigger Event]]	[Applicable] [Not Applicable] [Applicable until [the earlier to occur of] [the Step-up Date] [and/or] [a Pass-Through Trigger Event]]
	(a)	Rate(s) of Interest:	[●]% per annum [payable [annually/semi annually/quarterly/monthly] in arrear]	[●]% per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(b)	Interest Payment Date(s):	[The [18th] of [each calendar month/[●]] in each year [or, following the occurrence of [the Step-up Date] [and/or] [a Pass-Through Trigger Event] the [18th] of [each calendar month/[●]] in each year]] up to and including the Final Maturity Date commencing on [●]/[●]]	[The [18th] of [each calendar month/[●]] in each year [or, following the occurrence of [the Step-up Date] [and/or] [a Pass-Through Trigger Event] the [18th] of [each calendar month/[●]] in each year]] up to and including the Final Maturity Date commencing on [●]/[●]]
	(c)	Initial Interest Payment Date:	[●]	[●]
	(d)	Fixed Coupon Amount(s):	[[●] per [●] in nominal amount]  [[Prior to the occurrence of the [Step-Up Date] [and/or] [a Pass-Through Trigger Event]] [and] [except in respect of the first Note Payment Date (when the amount payable shall be the Broken Amount specified in 20(e) below),] the Fixed Coupon Amount shall be [●] per [●] in nominal amounts] [and, for the avoidance of doubt, the Fixed Coupon Amount in respect of the final Fixed Interest Period shall be payable	[[●] per [●] in nominal amount]  [[Prior to the occurrence of the [Step-Up Date] [and/or] [a Pass-Through Trigger Event]] [and] [except in respect of the first Note Payment Date (when the amount payable shall be the Broken Amount specified in 20(e) below),] the Fixed Coupon Amount shall be [●] per [●] in nominal amounts] [and, for the avoidance of doubt, the Fixed Coupon Amount in respect of the final Fixed Interest Period shall be payable on the Interest Payment Date following the

		on the Interest Payment Date following the Change of Interest Basis or Redemption/Payment Basis in 16 above.]	Change of Interest Basis or Redemption/Payment Basis in 16 above.]
	(e) Broken Amount(s):	[[●]/[Not Applicable]]	[[●]/[Not Applicable]]
	(f) Day Count Fraction:	[Actual/Actual (ICMA) 30/360]	[Actual/Actual (ICMA) 30/360]
	(g) Determination Date(s):	[[●] in each year/[Not Applicable]]	[[●] in each year/[Not Applicable]]
21.	Floating Rate Note Provisions:	[Applicable] [Not Applicable] [Applicable following [the earlier to occur of] [the Step-up Date] [and/or] [a Pass-Through Trigger Event]]	[Applicable] [Not Applicable] [Applicable following [the earlier to occur of] [the Step-up Date] [and/or] [a Pass-Through Trigger Event]]
	(a) Specified Period(s)/Specified Interest Payment Dates:	[The [18th] of [each calendar month/[●]] in each year [or, following the occurrence of [the Step-Up Date] [and/or] [a Pass-Through Trigger Event], the [18th] of [each calendar month/[●]] in each year] up to and including the Final Maturity Date commencing on [●]/[●]	[The [18th] of [each calendar month/[●]] in each year [or, following the occurrence of [the Step-Up Date] [and/or] [a Pass-Through Trigger Event], the [18th] of [each calendar month/[●]] in each year] up to and including the Final Maturity Date commencing on [●]/[●]
	(b) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(c) Additional Business Centre(s):	[[●]/None – [London], [New York], [Sydney], [Tokyo], [Toronto] and TARGET]	[[●]/None – [London], [New York], [Sydney], [Tokyo], [Toronto] and TARGET]
	(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]	[Screen Rate Determination/ISDA Determination]
	(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank):	[●]	[●]
	(f) Screen Rate Determination	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	• Reference Rate:	[●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] [or, in respect of the first interest period,[the linear interpolation of [●] month and [●] month]	[●]LIBOR/[●]EURIBOR/[●] USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] [or, in respect of the first interest period,[the linear interpolation of [●] month and [●] month] [●]LIBOR/[●]EURIBOR/[●]

	[●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR]] [or, from the Interest Payment Date following the occurrence of [the Step-Up Date] [and/or] [a Pass-Through Trigger Event], [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR]]	USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR]] [or, from the Interest Payment Date following the occurrence of [the Step-Up Date] [and/or] [a Pass-Through Trigger Event], [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR]]
• Interest Determination Date(s):	[●]	[●]
• Relevant Screen Page:	[●]	[●]
(g) ISDA Determination:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
• Floating Rate Option:	[●]	[●]
• Designated Maturity:	[●]	[●]
• Reset Date:	[●]	[●]
(h) Margin(s):	[+/-] [●]% per annum [or, following a Pass-Through Trigger Event, [+/-] [●]% per annum]	[+/-] [●]% per annum [or, following a Pass-Through Trigger Event, [+/-] [●]% per annum]
(i) Minimum Rate of Interest:	[Not Applicable/[●]% per annum]	[Not Applicable/[●]% per annum]
(j) Maximum Rate of Interest:	[Not Applicable/[●]% per annum]	[Not Applicable/[●]% per annum]
(k) Step-Up Date	[Not Applicable/The Interest Payment Date occurring in [●] on which date [each of the Margin, the Minimum Rate of Interest and the Maximum Rate of Interest shall be replaced with the Step-Up Margin, the Step-Up Minimum Rate of Interest and the Step-Up Maximum Rate of Interest, respectively] [the Fixed Rate of Interest shall be replaced with [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] plus the Step-up Margin]]	[Not Applicable/The Interest Payment Date occurring in [●] on which date [each of the Margin, the Minimum Rate of Interest and the Maximum Rate of Interest shall be replaced with the Step-Up Margin, the Step-Up Minimum Rate of Interest and the Step-Up Maximum Rate of Interest, respectively] [the Fixed Rate of Interest shall be replaced with [●]LIBOR/[●]EURIBOR/[●]USD-LIBOR/[●]AUD-BBR-BBSW/[●]JPY LIBOR/[●] CDOR] plus the Step-up Margin]]
• Step-Up Margin(s):	[+/-] [●]% per annum	[+/-] [●]% per annum
• Step-Up Minimum Rate of	[●]% per annum	[●]% per annum

	Interest:		
	• Step-Up Maximum Rate of Interest:	[●]% per annum	[●]% per annum
(l)	Day Count Fraction:	[Actual/Actual (ICMA) Actual/365 Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 360/360 30E/360]	[Actual/Actual (ICMA) Actual/365 Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 360/360 30E/360]
22.	Zero Coupon Note Provisions	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(a) Accrual Yield:	[●]% per annum	[●]% per annum
	(b) Reference Price:	[●]	[●]
	(c) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 5.7 <i>Redemption and Mandatory Transfer – Redemption Amounts</i> applies/[●]]	[Condition 5.7 <i>Redemption and Mandatory Transfer – Redemption Amounts</i> applies/[●]]

#### PROVISIONS RELATING TO REDEMPTION

23.	Details relating to Bullet Redemption Notes:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(a) Redemption Amount:	[●]	[●]
	(b) Bullet Redemption Date:	Interest Payment Date falling in [●]	Interest Payment Date falling in [●]
	(c) Cash Accumulation Period:	[●] months	[●] months
24.	Details relating to Scheduled Redemption Notes:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(a) Scheduled Redemption Dates:	Interest Payment Dates occurring in [●]	Interest Payment Dates occurring in [●]
	(b) Scheduled Amortisation Instalments:	[●]	[●]
25.	Details relating to Pass-Through Notes:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(a) Pass-through repayment dates:	To be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date [in [●]/on which all the [●] Series [●] Class [●] Notes [and the [●] Series [●] Class [●] Notes] have been redeemed in full]	To be redeemed in full or in part on each Interest Payment Date falling on or after the Interest Payment Date [in [●]/on which all the [●] Series [●] Class [●] Notes [and the [●] Series [●] Class [●] Notes] have been redeemed in full]
26(a).	Redemption Amount:	[Condition 5.7 applicable/[●]]	[Condition 5.7 applicable/[●]]
26(b).	Optional Redemption:	[Condition 5.4(c) applicable/[●]]	[Condition 5.4(c) applicable/[●]]
26(c).	Optional Redemption Date:	[Not Applicable/[●]]	[Not Applicable/[●]]

26(d).	Optional Partial Redemption Date(s) and Instalment Amount(s):	[Not Applicable/[●]]	[Not Applicable/[●]]
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>			
27.	(a) New Safekeeping Structure:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(b) Form of Notes:	[Rule 144A Global Note registered in the name of a nominee for the Depository Trust Company/Reg S Global Note registered in the name of a nominee for a [common depositary/common safekeeper] for Euroclear and Clearstream, Luxembourg]	[Rule 144A Global Note registered in the name of a nominee for the Depository Trust Company/Reg S Global Note registered in the name of a nominee for a [common depositary/common safekeeper] for Euroclear and Clearstream, Luxembourg]
28.	Issuer Swap Providers:	[Abbey National Treasury Services plc/ /Not Applicable]	[Abbey National Treasury Services plc/ /Not Applicable]
29.	2a-7 Swap Provider Arrangements:		
	Do the Issuing Entity Notes have the benefit of 2a-7 swap provider arrangements:	[Yes/No]	[Yes/No]
	Name of 2a-7 swap provider:	[[●]/Not Applicable]	[[●]/Not Applicable]
30.	Specified currency exchange rate:	[Not Applicable £1.00/US\$[●] €1.00/£[●] AUD\$1.00/£[●] ¥1.00/£[●] CAD\$1.00/£[●] [●]]	[Not Applicable £1.00/US\$[●] €1.00/£[●] AUD\$1.00/£[●] ¥1.00/£[●] CAD\$1.00/£[●] [●]]
31.	Redenomination applicable:	Redenomination [not] applicable	Redenomination [not] applicable
32.	ERISA eligibility:	[No]/[Yes, subject to the considerations in “ <i>ERISA considerations</i> ” in the base prospectus.]	[No]/[Yes, subject to the considerations in “ <i>ERISA considerations</i> ” in the base prospectus.]
33.	U.S. Taxation:	[Debt for United States federal income tax purposes, subject to the considerations contained in “ <i>United States federal income taxation</i> ” in the base prospectus]/[Not Applicable]	[Debt for United States federal income tax purposes, subject to the considerations contained in “ <i>United States federal income taxation</i> ” in the base prospectus]/[Not Applicable]

34.	U.S. Credit Risk Retention:	[Not Applicable]/[The seller expects the seller share on the closing date to be equal to \$[●], representing approximately [●]% of the aggregate unpaid principal balance of all outstanding notes as of <i>[date no more than 60] days prior to closing date</i> ], measured in accordance with the provisions of the U.S. Credit Risk Retention Requirements]	[Not Applicable]/[The seller expects the seller share on the closing date to be equal to \$[●], representing approximately [●]% of the aggregate unpaid principal balance of all outstanding notes as of <i>[date no more than 60] days prior to closing date</i> ], measured in accordance with the provisions of the U.S. Credit Risk Retention Requirements]
35.	Money Market Notes (2a-7):	[Yes/No]	[Yes/No]
36.	Do the Notes have the benefit of remarketing arrangements:	[Yes/No]	[Yes/No]
	If yes:		
	(a) Name of remarketing agent:	[●]	[●]
	(b) Name of money market note purchaser/conditional purchaser:	[●]	[●]
	(c) Name of the tender agent:	[●]	[●]
	(d) Mandatory transfer date:	[●]	[●]
	(e) Maximum reset margin:	[●]	[●]

#### OPERATIONAL INFORMATION

37.	Any clearing system(s) other than DTC, Euroclear, or Clearstream, Luxembourg and the relevant identification numbers:	[Not Applicable/PORTAL/[●]]	[Not Applicable/PORTAL/[●]]
38.	Delivery:	Delivery [against/free of payment]	Delivery [against/free of payment]
39.	Names and addresses of additional Paying Agent(s) (if any):	[●]	[●]
40.	ISIN Code:	[Rule 144A: [●]/Reg S: [●]]	[Rule 144A: [●]/Reg S: [●]]
41.	Common Code:	[Rule 144A: [●]/Reg S: [●]]	[Rule 144A: [●]/Reg S: [●]]
42.	CUSIP:	[Not Applicable/[●]]	[Not Applicable/[●]]

#### LOAN TRANCHE INFORMATION

43.	Borrower:	Fosse Funding (No.1) Limited	Fosse Funding (No.1) Limited
44.	Lender:	Fosse Master Issuer plc	Fosse Master Issuer plc
45.	Tier of Loan Tranche:	[AAA Loan Tranche/AA Loan Tranche/A Loan	[AAA Loan Tranche/AA Loan Tranche/A Loan

		Tranche/BBB Loan Tranche/BB Loan Tranche/NR [VFN] Loan Tranche]	Tranche/BBB Loan Tranche/BB Loan Tranche/NR [VFN] Loan Tranche]
46.	Series Number:	Series [●]	Series [●]
47.	Designation of Loan Tranche:	[Bullet Loan Tranche/Scheduled Amortisation Loan Tranche/Pass-Through Loan Tranche]	[Bullet Loan Tranche/Scheduled Amortisation Loan Tranche/Pass-Through Loan Tranche]
48.	Change of Redemption/Payment Basis:	[Not Applicable/[●]]	[Not Applicable/[●]]
49.	Initial Principal Amount:	£[●]	£[●]
	(a) Closing Date:	[●]	[●]
	(b) Loan Tranche Interest Commencement Date:	[●]	[●]
	(c) Loan Tranche Interest Reset Dates:	The Funding 1 Interest Payment Date occurring [quarterly/monthly] commencing with the Funding 1 Interest Payment Date occurring in [●] provided no Pass- Through Trigger Event has occurred and thereafter each Funding 1 Interest Payment Date	The Funding 1 Interest Payment Date occurring [quarterly/monthly] commencing with the Funding 1 Interest Payment Date occurring in [●] provided no Pass- Through Trigger Event has occurred and thereafter each Funding 1 Interest Payment Date
50.	Funding 1 Interest Payment Dates:	The [18th] of [each calendar month/[list applicable months for quarterly pay/[●]] in each year (or, if such day is not a Business Day, the next succeeding Business Day) [or, following the occurrence of [the Step- up Date] [and/or] [a Pass- Through Trigger Event], the [18th] of [each month/[●]] in each year] up to and including the Final Maturity Date commencing on [●]/[●] [●] [+/-] [●]%	The [18th] of [each calendar month/[list applicable months for quarterly pay/[●]] in each year (or, if such day is not a Business Day, the next succeeding Business Day) [or, following the occurrence of [the Step- up Date] [and/or] [a Pass- Through Trigger Event], the [18th] of [each month/[●]] in each year] up to and including the Final Maturity Date commencing on [●]/[●] [●] [+/-] [●]%
51.	Initial Loan Tranche Margin per annum:	[●] [+/-] [●]%	[●] [+/-] [●]%
52.	Step-Up Date (if any):	[The Funding 1 Interest Payment Date occurring in [●]/Not Applicable] on which date the initial interest rate per annum shall be replaced with the stepped-up interest rate per annum	[The Funding 1 Interest Payment Date occurring in [●]/Not Applicable] on which date the initial interest rate per annum shall be replaced with the stepped-up interest rate per annum
53.	Stepped-up interest rate per annum:	[[●]%/Not Applicable]	[[●]%/Not Applicable]
54.	Details relating to Bullet Loan Tranches:	[Applicable/Not Applicable]	[Applicable/Not Applicable]



	(a)	Bullet Repayment Date:	[●]	[●]
	(b)	Repayment Amount:	[●]	[●]
	(c)	Relevant Accumulation Amount:	[●]	[●]
55.		Details relating to Scheduled Amortisation Loan Tranches:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
	(a)	Scheduled Repayment Dates:	[●]	[●]
	(b)	Repayment Amounts:	[●]	[●]
	(c)	Relevant Accumulation Amounts:	[●]	●]
56.		Details relating to Pass-Through Loan Tranches:	[Applicable/Not Applicable]	[Applicable/Not Applicable]
57.		Final Repayment Date:	The Funding 1 Interest Payment Date falling in [●]	The Funding 1 Interest Payment Date falling in [●]
58.		Loan Tranche Payment Dates:	[Each Funding 1 Interest Payment Date/[●]]	[Each Funding 1 Interest Payment Date/[●]]

**[PROVISIONS RELATING TO NON-LSE LISTED NOTES (INCLUDING FOREIGN LAW NOTES) ONLY]**

Governing law:	[●]	[●]
Form of notes:	[●]	[●]
Clearing of notes:	[●]	[●]
[Paying agent]:	[●]	[●]
[Other terms and conditions]:	[●]	[●]]

**Other series issued**

As of the closing date of the issue [●]-[●] notes (the **closing date**), the aggregate principal amount outstanding of notes issued by the issuer (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the issue [●]-[●] notes described herein, will be as set out in " **Notes**" below.

**Other loan tranches**

As of the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuer to Funding under the master intercompany loan agreement, including the loan tranches described herein, will be as set out in " **Notes**" below.

**Mortgages trust and the portfolio**

As at the closing date the minimum seller share will be approximately £[●].

**U.S. taxation**

U.S. tax counsel is of the opinion that, although there is no authority on the treatment of instruments substantially similar to the issue [●]-[●] notes, such notes [will/should] be treated as debt for U.S. federal

income tax purposes. For further information, see "**United States federal income taxation – Rule 144A notes as debt of Funding 1**" in the base prospectus.

For the purposes of paragraph (d) of the definition of **non-asset trigger event**, the aggregate outstanding balance of loans comprising the trust property must be at least £[●]. See "**The mortgages trust – Cash management of trust property – Principal receipts**" in the base prospectus.

### **Mortgage sale agreement**

The **Fitch conditions** for the purposes of the mortgage sale agreement are:

- original weighted average LTV margin: [●].
- current weighted average LTV margin: [●].
- current weighted average income multiple threshold: [●].
- original LTV margin: [●].

The **minimum yield** for the purposes of the mortgage sale agreement is: [●].

The definition of 'Y' within the definition of **rating agency excess spread** is: LIBOR for 3 month sterling deposits plus [●] per cent.

## Funding 1 swaps

### Total Interim exchange amounts

The **total interim exchange amount** payable in respect of (all of) the Funding 1 swap(s) on the closing date is £[●]. Funding 1 shall pay the total interim exchange amount to the Funding 1 swap provider on the closing date (such payment funded via the 20[●]-[●] start-up loan), and the Funding 1 swap provider shall pay an amount equal to such total interim exchange amount back to Funding 1 on the immediately following Funding 1 swap interest payment date.

[The interim exchange amount applicable to each Funding 1 swap shall be the proportion of the total interim exchange amount applicable to that Funding 1 swap, as calculated in accordance with the relevant Funding 1 swap agreement.]

The purpose of these arrangements is to fund the mismatch in days between the closing date and the first Funding 1 swap interest payment date on the one hand and the closing date and the first distribution date on the other hand.

### Spread (receive-leg) under the Funding 1 swaps

The terms of the Funding 1 swap(s) allow Funding 1 and the Funding 1 swap provider(s) to adjust from time to time the spread over LIBOR which the relevant Funding 1 swap provider pays to Funding 1 in order to reflect movements in market interest rates and interest rates being charged on the loans subject to the relevant Funding 1 swap(s). The relevant spreads under the Funding 1 swap(s) as at the closing date are:

Funding 1 swap (SVR) 1.....	[●]%
Funding 1 swap (SVR) 2.....	[●]%
Funding 1 swap (SVR) 3.....	[●]%
Funding 1 swap (SVR) 4.....	[●]%
Funding 1 swap (SVR) 5.....	[●]%
Funding 1 swap (BBR) 1.....	[●]%
Funding 1 swap (BBR) 2.....	[●]%
Funding 1 swap (BBR) 3.....	[●]%
Funding 1 swap (BBR) 4.....	[●]%
Funding 1 swap (BBR) 5.....	[●]%
Funding 1 swap (Fixed) 1 .....	[●]%
Funding 1 swap (Fixed) 2 .....	[●]%
Funding 1 swap (Fixed) 3 .....	[●]%
Funding 1 swap (Fixed) 4 .....	[●]%
Funding 1 swap (Fixed) 5 .....	[●]%

### Post-perfection SVR-LIBOR margin

The **post-perfection SVR-LIBOR margin** for the purposes of the servicing agreement is: [●]%

### Use of proceeds

The gross proceeds from the issue of the series [●] notes equal approximately £[●] (after exchanging, where applicable, the proceeds of the notes for sterling, calculated by reference to the applicable specified currency exchange rate) and will be used by the issuer to make available loan tranches to Funding 1 pursuant to the terms of the intercompany loan agreement. Funding 1 will use the gross proceeds of each loan tranche to [make available an initial contribution to the mortgages trustee] [make a further contribution to the mortgages trustee] [fund or replenish the general reserve fund] [refinance the existing debt of Funding 1].

### Maturity and prepayment considerations

The average lives of any class of the series [●] notes cannot be stated, as the actual rate of repayment of the loans and redemption of the mortgages and a number of other relevant factors are unknown. However, calculations of the possible average lives of each class of the series [●] notes can be made based on certain assumptions. The assumptions used to calculate the possible average lives of each class of the issue [●]-[●] notes in the following table include the following:

- (1) neither the issuer security nor the Funding 1 security has been enforced;
- (2) each class of series [●] notes is repaid in full by its final maturity date;
- (3) the seller is not in breach of the terms of the mortgage sale agreement;
- (4) the seller does not sell any loans to the mortgages trustee after the closing date (except to the extent set out in assumption (5) below) and the loans are assumed to amortise in accordance with the assumed principal prepayment rate as indicated in the table below;
- (5) the seller assigns to the mortgages trustee sufficient new loans and their related security, such that the aggregate principal amount outstanding of the loans in the portfolio will not fall below an amount equal to [●] times the Funding 1 share, or such higher amount as may be required to be maintained as a result of the issuer advancing loan tranches to Funding 1 and/or any new issuer advancing new loan tranches to Funding 1 or any further Funding company (as the case may be) which Funding 1 and/or any further Funding company (as the case may be) uses as consideration for an increase in its share of the trust property or for the sale of new loans to the mortgages trustee;
- (6) new loans sold to the mortgages trustee will have the same scheduled principal repayment profile as the portfolio of [●];
- (7) neither an asset trigger event nor a non-asset trigger event occurs;
- (8) no event occurs that would cause payments on any class of series [●] notes to be deferred;
- (9) the principal prepayment rate as at the cut-off date for the [provisional] portfolio is the same as the various assumed rates in the table below;
- (10) the issuer exercises its option to redeem each series of notes on the step-up date relating to such notes;
- (11) the closing date is [●];
- (12) the mortgage loans are not subject to any defaults or losses, and no mortgage loan falls into arrears;
- (13) no interest or fees are paid from principal receipts;
- (14) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the seller continue to be rated at least "[●]" by Moody's and "[●]" by Standard & Poor's and the long-term "Issuer default rating" of the seller continues to be at least "[●]" by Fitch; and

- (15) the principal ledger balance at close is assumed to be the cash accumulated after the distribution date on [●], equal to £[●],

**Principal prepayment rate and possible average lives of each series and class (or sub-class) of issue [●]-[●] notes (in years)**

Based upon the foregoing assumptions, the approximate average life in years of each series and class (or sub-class) of issue [●]-[●] notes, at various assumed rates of repayment of the loans, would be as follows:

Estimated average lives of each class of series [●] notes (in years)

[(Without optional redemption on the interest payment date falling in [●])]

[(With optional redemption on the interest payment date falling in [●])]

	series[(1)]	series[(2)]	series[(3)]	series[(4)]	series[(5)]	series[(6)]	series[(7)]	series[(8)]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Principal	class	class	class	class	class	class	class	class
prepayment rate	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(per annum)	notes	notes	notes	notes	notes	notes	notes	notes
5 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
10 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
15 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
20 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
25 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
30 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
35 per cent. ....	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

[insert in the case of remarketable notes:

(1) This represents the average lives to the first class [●] note mandatory transfer date in [●].

(2) This represents the average lives of all class [●] note remarketed after the first class [●] note mandatory transfer date in [●].

Assumptions (1), (3), (4), (5), (6), (7), (11), (12), (13), (14) and (15) relate to circumstances which are not predictable. Assumptions (2), (8), (9) and (10) reflect the issuer's current expectations, although no assurance can be given that the issuer will be in a position to redeem the notes on the step-up date. If the issuer does not so exercise its option to redeem, then the average lives of the then outstanding notes would be extended.

The average lives of the notes are subject to factors largely outside the control of the issuer and consequently no assurance can be given that these assumptions and estimates will prove in any way to be realistic and they must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of these estimated average lives, see **"Risk factors – The yield to maturity of your notes may be adversely affected by prepayments or redemptions on the loans"** in the base prospectus above.

### Statistical information on the expected portfolio

The statistical and other information contained in these final terms has been compiled by reference to the loans expected to comprise the portfolio (the **expected portfolio**) as at [●] (the **cut-off date**). Columns stating percentage amounts may not add up to 100 per cent. owing to rounding.

[A loan will have been removed from any new portfolio (which comprises a portion of the expected portfolio as at the cut-off date) if, in the period up to (and including) the closing date relating to such new portfolio, the loan is repaid in full or if the loan does not comply with the terms of the mortgage sale agreement on or about the applicable closing date. Once such loans are removed, the seller will then randomly select from the loans remaining in the new portfolio those loans to be sold and assigned on the applicable closing date once the determination has been made as to the anticipated principal balances of the issue [●]-[●] notes to be issued and the corresponding size of the trust property that would be required ultimately to support payments on the notes of the issuer.

The loans that are selected for inclusion in the mortgages trust will have been originated on the basis of the seller's lending criteria. The material aspects of the seller's lending criteria are described under "**The loans – Underwriting**" and "**The loans – Lending criteria**" in the base prospectus. Standardised credit scoring is not used in the UK mortgage market. For an indication of the credit quality of borrowers in respect of the loans, investors may refer to such lending criteria and to the historical performance of the loans in the mortgages trust as set forth in these final terms. One significant indicator of obligor credit quality is arrears and losses. The information presented under "**The loans – Arrears experience**" in [the base prospectus and] [these final terms] reflects the arrears and repossession experience for loans that were contained in the portfolio since the inception of the mortgages trust and loans transferred to the mortgages trust on the closing date. Santander UK services all the loans in the portfolio. It is not expected that the characteristics of the portfolio as at the closing date will differ materially from the characteristics of the expected portfolio as at the cut-off date. Except as otherwise indicated, these tables have been prepared using the current balance as at the cut-off date, which includes all principal and accrued interest for the loans in the expected portfolio.]

The expected portfolio as at the cut-off date consisted of [●] mortgage accounts, comprising mortgage loans originated by Alliance & Leicester and/or, following the Part VII effective date, Santander UK and secured over properties located in England, Wales, Scotland and Northern Ireland, and having an aggregate outstanding principal balance of approximately £[●] as at that date. The loans in the expected portfolio as at the cut-off date were originated between [●] and [●].

[As at the cut-off date, approximately [●] per cent. of the loans in the expected portfolio had an active direct debit instruction, the servicer, as agent of the mortgages trustee, having specifically agreed to another specific form of payment for the balance of the loans.]

Approximately [●] per cent. of the loans had an original loan-to-value ratio of at least [●] per cent. as at the cut-off date.

As at the closing date:

- Funding 1's share of the trust property will be approximately £[●] representing approximately [●] per cent. of the trust property; and
- the seller's share of the trust property will be approximately £[●] representing approximately [●] per cent. of the trust property.

The actual amounts of the Funding 1 share of the trust property and the seller share of the trust property as at the closing date will not be determined until the day before the closing date which will be after the date of these final terms.

## Outstanding balances as at the cut-off date

The following table shows the range of outstanding principal balances (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date.

### Range of outstanding principal balances (including capitalised high loan-to-value fees and/or booking fees and/or valuation fees) (£)

	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Less than 0,000 .....	[●]	[●]	[●]	[●]
0,000 – 49,999 .....	[●]	[●]	[●]	[●]
50,000 – 99,999 .....	[●]	[●]	[●]	[●]
100,000 – 149,999 .....	[●]	[●]	[●]	[●]
150,000 – 199,999 .....	[●]	[●]	[●]	[●]
200,000 – 249,999 .....	[●]	[●]	[●]	[●]
250,000 – 299,999 .....	[●]	[●]	[●]	[●]
300,000 – 349,999 .....	[●]	[●]	[●]	[●]
350,000 – 399,999 .....	[●]	[●]	[●]	[●]
400,000 – 449,999 .....	[●]	[●]	[●]	[●]
450,000 – 499,999 .....	[●]	[●]	[●]	[●]
500,000 – 549,999 .....	[●]	[●]	[●]	[●]
550,000 – 599,999 .....	[●]	[●]	[●]	[●]
600,000 – 649,999 .....	[●]	[●]	[●]	[●]
650,000 – 699,999 .....	[●]	[●]	[●]	[●]
700,000 – 749,999 .....	[●]	[●]	[●]	[●]
Greater than or equal to 750,000 .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

The largest mortgage account has an outstanding principal balance of approximately £[●] and the smallest mortgage account has an outstanding principal balance of approximately [minus] £[●]. The average outstanding principal balance is approximately £[●].

[The account status is set to "redeemed" when the balance is zero and the overpaid amount has been refunded which normally happens within two to three days of that overpayment.] [Such overpayments account for a small number of negative balances in the table above.]

## Loan-to-value ratios at origination

The following table shows the range of loan-to-value, or LTV, ratios, which express the outstanding balance of a mortgage loan as at the date of the original mortgage loan origination divided by the value of the property securing that mortgage loan at the same date.



**Range of loan-to-value ratios at origination (excluding capitalised high loan-to-value fees and/or booking fees and/or valuation fees)**

	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25%	[●]	[●]	[●]	[●]
>25% – 50%	[●]	[●]	[●]	[●]
>50% – 75%	[●]	[●]	[●]	[●]
>75% – 80%	[●]	[●]	[●]	[●]
>80% – 85%	[●]	[●]	[●]	[●]
>85% – 90%	[●]	[●]	[●]	[●]
>90% – 95%	[●]	[●]	[●]	[●]
>95%	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

The weighted average loan-to-value ratio of the mortgage accounts at origination was approximately [●] per cent.

**Current LTV ratios indexed according to the Halifax House Price Index**

**Range of loan-to-value ratios at origination (excluding capitalised high loan-to-value fees and/or booking fees and/or valuation fees)**

	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25% .....	[●]	[●]	[●]	[●]
>25% – 50% .....	[●]	[●]	[●]	[●]
>50% – 75% .....	[●]	[●]	[●]	[●]
>75% – 80% .....	[●]	[●]	[●]	[●]
>80% – 85% .....	[●]	[●]	[●]	[●]
>85% – 90% .....	[●]	[●]	[●]	[●]
>90% – 95% .....	[●]	[●]	[●]	[●]
>95%.....				
Total .....	[●]	[●]	[●]	[●]

As at the cut-off date, the weighted average indexed LTV was [●] per cent.

**Current LTV [(using valuation at time of latest advance)]**

Range of current LTV ratios	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25% .....	[●]	[●]	[●]	[●]
>25% – 50% .....	[●]	[●]	[●]	[●]
>50% – 75% .....	[●]	[●]	[●]	[●]
>75% – 80% .....	[●]	[●]	[●]	[●]
>80% – 85% .....	[●]	[●]	[●]	[●]
>85% – 90% .....	[●]	[●]	[●]	[●]
>90% – 95% .....	[●]	[●]	[●]	[●]
>95% .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

As at the cut-off date, the weighted average unindexed LTV was [●] per cent.

### Geographical distribution

The following table shows the distribution of properties throughout England, Wales Scotland and Northern Ireland . No such properties are situated outside England, Wales, Scotland and Northern Ireland. The geographical location of a property has no impact upon the seller's lending criteria and credit scoring tests.

Region	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
East Anglia.....	[●]	[●]	[●]	[●]
East Midlands .....	[●]	[●]	[●]	[●]
London .....	[●]	[●]	[●]	[●]
Northern Ireland.....	[●]	[●]	[●]	[●]
North East.....	[●]	[●]	[●]	[●]
North West.....	[●]	[●]	[●]	[●]
Scotland.....	[●]	[●]	[●]	[●]
South East (excluding London) ....	[●]	[●]	[●]	[●]
South West .....	[●]	[●]	[●]	[●]
Wales.....	[●]	[●]	[●]	[●]
West Midlands .....	[●]	[●]	[●]	[●]
Yorkshire and Humberside .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

\* [Where the post code for the relevant property has not yet been allocated or is not shown in the seller's records.]

For a discussion of geographic concentration risks, see "Risk factors – The portfolio may be subject to geographic concentration risks" in the base prospectus.

### Seasoning of loans

The following table shows the time elapsed since the date of origination of the loans. The ages (but not the balances) of the loans in this table have been forecast forward to the cut-off date for the purpose of calculating the seasoning.

Age of loans in months	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
6 – <12.....	[●]	[●]	[●]	[●]
12 – <18.....	[●]	[●]	[●]	[●]
18 – <24.....	[●]	[●]	[●]	[●]
24 – <30.....	[●]	[●]	[●]	[●]
30 – <36.....	[●]	[●]	[●]	[●]
36 – <42.....	[●]	[●]	[●]	[●]
42 – <48.....	[●]	[●]	[●]	[●]
48 – <54.....	[●]	[●]	[●]	[●]
54 – <60.....	[●]	[●]	[●]	[●]
60 – <66.....	[●]	[●]	[●]	[●]
66 – <72.....	[●]	[●]	[●]	[●]
72 – <78.....	[●]	[●]	[●]	[●]
78 – <84.....	[●]	[●]	[●]	[●]
84 – <90.....	[●]	[●]	[●]	[●]
90 – <96.....	[●]	[●]	[●]	[●]
96 – <102.....	[●]	[●]	[●]	[●]
Greater than or equal to 102 .....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

As at the cut-off date, the weighted average seasoning of loans was approximately [●] months, the maximum seasoning of loans was [●] months and the minimum seasoning of loans was [●] months.

#### Years to maturity of loans

The following table shows the number of years of the mortgage term which remain unexpired.

Years to maturity	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
<0.....	[●]	[●]	[●]	[●]
0 – <5.....	[●]	[●]	[●]	[●]
5 – <10.....	[●]	[●]	[●]	[●]
10 – <15.....	[●]	[●]	[●]	[●]
15 – <20.....	[●]	[●]	[●]	[●]
20 – <25.....	[●]	[●]	[●]	[●]
25 – <30.....	[●]	[●]	[●]	[●]
30 – <35.....	[●]	[●]	[●]	[●]
35 – <40.....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

As at the cut-off date, the weighted average remaining term of loans was approximately [●] years, the maximum remaining term was [●] years and the minimum remaining term was [●] years.

#### Purpose of loan

The following table shows the purpose of the loans on origination

Use of proceeds	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Remortgage .....	[●]	[●]	[●]	[●]
Purchase .....	[●]	[●]	[●]	[●]
Unknown .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

### Property type

The following table shows the types of properties to which the mortgage accounts relate.

Property type	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Bungalow .....	[●]	[●]	[●]	[●]
Residential (house, detached or semi-detached) .....	[●]	[●]	[●]	[●]
Terraced .....	[●]	[●]	[●]	[●]
Residential (flat/apartment) .....	[●]	[●]	[●]	[●]
Unknown .....	[●]	[●]	[●]	[●]
Totals .....	[●]	[●]	[●]	[●]

### Origination channel

The following table shows the origination channel for the initial loan in a mortgage account.

Origination channel	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Direct origination .....	[●]	[●]	[●]	[●]
Intermediaries .....	[●]	[●]	[●]	[●]
Other channels .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

### Repayment terms

The following table shows the repayment terms for the loans in the mortgage accounts as at the cut-off date. Where any loan in a mortgage account is interest-only, then that entire mortgage account is classified as interest-only.

Repayment terms	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Part-part .....	[●]	[●]	[●]	[●]
Interest-only .....	[●]	[●]	[●]	[●]
Repayment .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

### Product type

The following table shows the distribution of product type as at the cut-off date.

Product type	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Floating rate .....	[●]	[●]	[●]	[●]
Tracker .....	[●]	[●]	[●]	[●]

Discount.....	[●]	[●]	[●]	[●]
Fixed rate.....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

### Payment methods

The following table shows the payment methods for the mortgage accounts as at the cut-off date.

Payment method	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Direct debit (Santander UK bank account) .....	[●]	[●]	[●]	[●]
No Data.....	[●]	[●]	[●]	[●]
Other .....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

### Buyer type

The following table shows the distribution of buyer type as at the cut-off date.

Buyer type	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
First time buyer .....	[●]	[●]	[●]	[●]
Not a first time buyer.....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

### Employment type

The following table shows the distribution of employment type as at the cut-off date.

Employment type	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Self employed .....	[●]	[●]	[●]	[●]
Employed or full loan is guaranteed ...	[●]	[●]	[●]	[●]
Unemployed.....	[●]	[●]	[●]	[●]
Student .....	[●]	[●]	[●]	[●]
Pensioner.....	[●]	[●]	[●]	[●]
Other .....	[●]	[●]	[●]	[●]
Unknown.....	[●]	[●]	[●]	[●]
Totals .....	[●]	[●]	[●]	[●]

### Distribution of fixed rate loans

As at the cut-off date, approximately [●] per cent. of the loans in the expected portfolio were fixed rate loans. Fixed rate loans remain at the relevant fixed rate for a period of time as specified in the offer conditions, after which they move to a variable rate or some other rate as specified in the offer conditions.

<b>Fixed rate %</b>	<b>Current principal balance (£)</b>	<b>% of total balance</b>	<b>Number of mortgage accounts</b>	<b>% of total fixed rate loans</b>
2.00 – 2.99 .....	[●]	[●]	[●]	[●]
3.00 – 3.99 .....	[●]	[●]	[●]	[●]
4.00 – 4.99 .....	[●]	[●]	[●]	[●]
5.00 – 5.99 .....	[●]	[●]	[●]	[●]
6.00 – 6.99 .....	[●]	[●]	[●]	[●]
7.00 – 7.99 .....	[●]	[●]	[●]	[●]
8.00 – 8.99 .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

#### Fixed year end breakdown for fixed rate loans

<b>Month/year in which rate period ends</b>	<b>Current principal balance (£)</b>	<b>% of total balance</b>	<b>Number of mortgage accounts</b>	<b>% of total fixed rate loans</b>
January [2016] .....	[●]	[●]	[●]	[●]
February [2016] .....	[●]	[●]	[●]	[●]
March [2016] .....	[●]	[●]	[●]	[●]
April [2016] .....	[●]	[●]	[●]	[●]
May [2016] .....	[●]	[●]	[●]	[●]
June [2016] .....	[●]	[●]	[●]	[●]
July [2016] .....	[●]	[●]	[●]	[●]
August [2016] .....	[●]	[●]	[●]	[●]
September [2016] .....	[●]	[●]	[●]	[●]
October [2016] .....	[●]	[●]	[●]	[●]
November [2016] .....	[●]	[●]	[●]	[●]
December [2016] .....	[●]	[●]	[●]	[●]
[2016] .....	[●]	[●]	[●]	[●]
2017 .....	[●]	[●]	[●]	[●]
2018 .....	[●]	[●]	[●]	[●]
2019 .....	[●]	[●]	[●]	[●]
2020 .....	[●]	[●]	[●]	[●]
2021 .....	[●]	[●]	[●]	[●]
2022 .....	[●]	[●]	[●]	[●]
2023 .....	[●]	[●]	[●]	[●]
2024 .....	[●]	[●]	[●]	[●]
2025 .....	[●]	[●]	[●]	[●]
2026 .....	[●]	[●]	[●]	[●]
After 2026 .....	[●]	[●]	[●]	[●]
Total .....	[●]	[●]	[●]	[●]

## Tenure

The following table shows the legal tenure for the loans in the expected portfolio.

Tenure	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Heritable .....	[●]	[●]	[●]	[●]
Freehold.....	[●]	[●]	[●]	[●]
Leasehold .....	[●]	[●]	[●]	[●]
[Unknown].....	[●]	[●]	[●]	[●]
Total.....	[●]	[●]	[●]	[●]

## Payment rate analysis

The following table shows the annualised payment rate for the most recent 1-, 3- and 12-month period for the loans in the expected portfolio.

As of month-end	1-month annualised	3-month annualised	12-month annualised
[●]%.....	[●]%	[●]%	[●]%

[Source: Fosse investor report dated [●].]

In the table above, 12-month annualised CPR is calculated as the average of the 1-month annualised CPR for the most recent 12 months (calculated as  $1 - ((1 - R) ^ 12)$  where R is (i) total principal receipts received plus the principal balance of loans repurchased by the seller (primarily due to further advances) during the relevant period, divided by (ii) the aggregate outstanding principal balance of the loans in the expected portfolio as at the start of that period.

## Arrears

Status	Aggregate outstanding balance as at the cut-off date (£)	% of arrears by balance	Total arrears balance (£)	Number of mortgage accounts	% of total mortgage accounts
<1 month.....	[●]	[●]	[●]	[●]	[●]
≥1 – <2 months.....	[●]	[●]	[●]	[●]	[●]
≥2 – <3 months.....	[●]	[●]	[●]	[●]	[●]
≥3 – <4 months.....	[●]	[●]	[●]	[●]	[●]
≥4 – <5 months.....	[●]	[●]	[●]	[●]	[●]
≥5 – <6 months.....	[●]	[●]	[●]	[●]	[●]
≥6 – <7 months.....	[●]	[●]	[●]	[●]	[●]
≥7 – <8 months.....	[●]	[●]	[●]	[●]	[●]
≥8 – <9 months.....	[●]	[●]	[●]	[●]	[●]
≥9 – <10 months.....	[●]	[●]	[●]	[●]	[●]
≥10 – <11 months.....	[●]	[●]	[●]	[●]	[●]
≥11 – <12 months.....	[●]	[●]	[●]	[●]	[●]
≥12 months.....	[●]	[●]	[●]	[●]	[●]
Totals.....	[●]	[●]	[●]	[●]	[●]

As at the cut-off date, the total outstanding balance of loans in the expected portfolio that were greater than 30 days in arrears was £[●], representing [●] per cent. of the outstanding balance of loans in the expected portfolio as at such date.

## Notes

### Notes issued by the issuer and loan tranches advanced by the issuer to Funding 1 in connection therewith

As at the closing date, the aggregate principal amount outstanding of notes (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the issue [●]-[●] notes described herein, will be:

class [A] notes .....	£[●]
class [B] notes .....	£[●]
class [C] notes .....	£[●]
class [D] notes .....	£[●]
class [M] notes .....	£[●]
class [Z] notes (other than class Z variable funding notes) .....	£[●●]
class [Z variable funding] notes .....	£[●]

As at the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuer to Funding 1 under the master intercompany loan agreement, including the loan tranches described herein, will be:

[AAA] Loan Tranches.....	£[●]
[AA] Loan Tranches.....	£[●]
[A] Loan Tranches.....	£[●]
[BBB] Loan Tranches.....	£[●]
[BB] Loan Tranches.....	£[●]
[NR] Loan Tranches (other than NR VFN Loan Tranche).....	£[●]
[NR VFN] Loan Tranche.....	£[●]

### Funding 1 start-up loan

The Funding 1 start-up loan to be made available to Funding 1 on the closing date in connection with series [●] will have the following terms:

<b>Funding 1 start-up loan provider:</b>	Santander UK
<b>Initial outstanding principal balance:</b>	£[●]
<b>Interest rate:</b>	[●] per annum

The Funding 1 start-up loans made available to Funding 1 on the previous closing dates had the following terms:

<b>Funding 1 start-up loan provider</b>	<b>Current outstanding principal balance</b>	<b>Interest Rate</b>
Santander UK (in respect of the issuer 2015-1 notes) ....	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2014-1 notes)	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2012-1 notes)	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2011-2 notes)	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2011-1 notes)	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2010-4 notes)	£[●]	Three-Month Sterling LIBOR + 0.90% per annum
Santander UK (in respect of the issuer 2010-3 notes)	£[●]	Three-Month Sterling LIBOR



Santander UK (in respect of the issuer 2010-2 notes)	£[●]	Three-Month Sterling LIBOR	+ 0.90% per annum
Originally Alliance & Leicester (now Santander UK) (in respect of the issuer 2010-1 notes).....	£[●]	Three-Month Sterling LIBOR	+ 0.90% per annum
Originally Alliance & Leicester (now Santander UK) (in respect of the issuer 2008-1 notes)	£[●]	Three-Month Sterling LIBOR	+ 0.90% per annum
Originally Alliance & Leicester (now Santander UK) (in respect of the issuer 2007-1 notes)	£[●]	Three-Month Sterling LIBOR	+ 0.90% per annum
Originally Alliance & Leicester (now Santander UK) (in respect of the issuer 2005-1 notes)	£[●]	Three-Month Sterling LIBOR	+ 0.90% per annum

## [ARREARS EXPERIENCE]

The following table summarises loans in arrears and repossession experience for loans in the portfolio (including loans that previously formed part of the portfolio) as at the dates indicated below. All of the loans shown in the table below were originated by Alliance & Leicester or Santander UK; and the loans shown in the table below were serviced by Alliance & Leicester prior to the Part VII effective date and, since the Part VII effective date, by Santander UK. As at the date of these final terms, Santander UK services all of the loans in the portfolio. This table should be read together with the tables set forth under “**Arrears experience**” in the base prospectus.

	<b><u>31 Dec 20[●]</u></b>
Outstanding balance (£ millions)	[●]
Number of loans outstanding (thousands)	[●]
<b>Outstanding balance of loans in arrears (£ millions)</b>	[●]
30-59 days	[●]
60-89 days	[●]
90-179 days	[●]
180-365 days	[●]
366 or more days	[●]
Total outstanding balance of loans in arrears	[●]
Total outstanding balance of loans in arrears as % of the outstanding balance	[●]%
Outstanding balance of loans relating to properties in possession	[●]
Net loss on sales of all repossessed properties <sup>(1)</sup>	[●]
Ratio of aggregate net losses to average aggregate outstanding balance of loans <sup>(2)</sup>	[●]%
Average net loss on all properties sold	[●]
<b>Number of loans outstanding in arrears (thousands)</b>	
30-59 days	[●]
60-89 days	
90-179 days	[●]
180-365 days	[●]
366 or more days	[●]
Total number of loans outstanding in arrears	[●]
Total number of loans outstanding in arrears as % of the number of loans outstanding	[●]%
Number of properties in possession	[●]
Number of properties sold during the year	[●]

(1) Net loss is net of recoveries in the current period on properties sold in prior periods.

(2) Average of opening and closing balances for the period.]

## [STATIC POOL DATA]

The tables below set out, to the extent material, certain static pool information with respect to the loans in the mortgages trust. The table should be read together with the tables set forth under “Static pool data” in the base prospectus.

Static pool information on prepayments has not been included because changes in prepayment and payment rates historically have not affected repayment of the notes, and are not anticipated to have a significant effect on future payments on the notes for a number of reasons. The mechanics of the mortgage trust require an extended cash accumulation period (for bullet loan tranches) when prepayment rates fall below certain minima required by the rating agencies, serving to limit the extent to which slow prepayments would cause the average lives of the notes to extend. Furthermore, only a limited amount of note principal in relation to the very large mortgages trust size is actually due to be repaid on any particular interest payment date.

[One of the characteristics of the mortgages trust is that the seller is able to sell more loans to the mortgages trustee over time, whether in connection with an issuance of notes by the issuer or any new notes by a new issuer or in order to maintain the minimum seller share. To aid in understanding changes to the mortgages trust over time, the following table sets out information relating to each sale of loans by the seller to the mortgages trustee pursuant to the mortgage sale agreement.

Date	Balance of loans substituted or sold	Number of loans substituted or sold
[●]	£[●]	[●]

The sale of new loans by the seller to the mortgages trustee is subject to conditions, including ones required by the rating agencies, designed to maintain certain credit-related and other characteristics of the mortgages trust. These include limits on loans in arrears in the mortgages trust at the time of sale, limits on the aggregate balance of loans sold, limits on changes in the weighted average repossession frequency and the weighted average loss severity, minimum yield for the loans in the mortgages trust after the sale and a maximum loan-to-value ratio for the loans in the mortgages trust after the sale. See a description of these conditions in “**Description of the transaction documents – The mortgage sale agreement – Sale of the loans and their related security**”.]

### Portfolio arrears by year of origination

The following tables show the distribution of loans in the mortgages trust originated in that year by delinquency category as at each year-end starting in [●]. The tables include loans that are secured by mortgaged properties subject to repossession proceedings and in possession. The table should be read together with the tables set forth under “Static pool data” in the base prospectus.

#### Loans originated in the pool as of [●] [●] 201[●] as at each specified date

	[●] 201[●]			
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

#### Loans originated in 2016 as at each specified date

	[●] 201[●]			
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Loans originated in 2015 as at each specified date

	[•] 201[•]			
	Volume	Principal balance	% by volume	% by balance
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Loans originated in 2014 as at each specified date

	[•] 201[•]			
	Volume	Principal balance	% by volume	% by balance
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Loans originated in 2013 as at each specified date

	[•] 201[•]			
	Volume	Principal balance	% by volume	% by balance
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Loans originated in 2012 as at each specified date

	[•] 201[•]			
	Volume	Principal balance	% by volume	% by balance
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Loans originated in 2011 as at each specified date

[●] 201[●]				
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

Loans originated in 2010 as at each specified date

[●] 201[●]				
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

Loans originated in 2009 as at each specified date

[●] 201[●]				
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

Loans originated in 2008 as at each specified date

[●] 201[●]				
	Volume	Principal balance	% by volume	% by balance
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

### **Listing and admission to trading application**

These final terms comprise the final terms required for the notes described herein to be admitted to the Official List and admitted to trading on the regulated market of the London Stock Exchange pursuant to the Residential Mortgage Backed Note Programme of Fosse Master Issuer plc.

Signed on behalf of the issuer:

By:.....  
*Duly authorised*

**[END OF FORM OF FINAL TERMS]**

**EXECUTION VERSION**

**SUPPLEMENTAL NOTE TRUST DEED**

7 December 2018

**FOSSE MASTER ISSUER PLC**

**LAW DEBENTURE TRUST COMPANY OF NEW YORK**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**

0090662-0000123 ICM:30526827.8

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Appointment and retirement .....	4
3. Vesting of Trust Property.....	5
4. Condition 4.....	5
5. Notices .....	5
6. Further Assurances.....	5
7. Supplemental.....	6
8. Counterparts .....	6
9. Rights of Third Parties .....	6
10. Governing Law .....	6
11. Submission to Jurisdiction .....	6



**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 7 December 2018

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Issuer**);
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, and referred to in this Deed as the **Retiring Trustee**); and
- (3) **THE BANK OF NEW YORK MELLON, LONDON BRANCH** a New York banking corporation acting through its London branch, whose address is at One Canada Square, London E14 5AL (**BNYM** and the **New Trustee**).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013, 9 October 2014 and 29th April 2016 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Retiring Trustee has ceased to undertake the provision of trustee services in respect of notes issued as part of a residential mortgage securitisation transaction and therefore proposes to retire as trustee.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 24.3 of the Existing Note Trust Deed, that the Retiring Trustee will appoint the New Trustee as an additional co-trustee.
- (D) After the appointment of the New Trustee, the Retiring Trustee will retire its appointment as Note Trustee.
- (E) Simultaneously with the appointment of the New Trustee as an additional co-trustee in respect of the Existing Note Trust Deed pursuant to this Deed, BNYM will also be appointed as an additional co-trustee in respect of the Issuer Deed of Charge and the Funding 1 Deed of Charge.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and 29th April 2016) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the Issuer and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012 and 29th April 2016) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

1.2 In this Deed:

**Effective Date** means the date of this Deed; and

**Trust Property** means any property held by the Retiring Trustee as Note Trustee in respect of the trusts created by the Note Trust Deed.

1.3 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. APPOINTMENT AND RETIREMENT**

2.1 The Retiring Trustee hereby appoints the New Trustee to act as co-trustee in respect of the Note Trust Deed to take effect on the Effective Date. The Issuer confirms and consents to such appointment.

2.2 The Retiring Trustee considers the appointment of the New Trustee as an additional co-trustee to be in the interests of the Noteholders.

2.3 With effect on and from the Effective Date, the New Trustee hereby accepts the appointment as trustee under the Note Trust Deed.

2.4 The New Trustee hereby confirms that it:

- (a) is a Trust Corporation;
- (b) meets the requirements of Section 26(a)(1) of the U.S. Investment Company Act of 1940;
- (c) is not an affiliate (as defined in Rule 405 of the Securities Act) of the Issuer or of any person involved in the organisation or operation of the Issuer; and
- (d) does not offer or provide credit or credit enhancement to the Issuer.

2.5 The parties acknowledge that this Supplemental Note Trust Deed contains provisions to the effect set forth in Section 26(a)(3) of the U.S. Investment Company Act of 1940.

2.6 Subject to the appointment of the New Trustee becoming effective, the Retiring Trustee hereby gives notice to the Issuer of its retirement as Note Trustee in respect of and pursuant to Clause 25 of the Note Trust Deed. The Issuer accepts such retirement and hereby waives the requirement in Clause 25 of the Note Trust Deed for three months' notice of such retirement.

2.7 Each party hereto agrees that:

- (a) the Retiring Trustee shall have no further liabilities to any other party to the Transaction Documents other than any liabilities which arose under the Transaction Documents prior to the Effective Date and shall have no further obligations or duties to any other party to the Transaction Documents other than any obligations or duties which were due to have been discharged by it prior to the Effective Date; and
- (b) the New Trustee shall not be liable:
  - (i) for any of the acts, omissions or obligations of the Retiring Trustee which were completed or were required to be completed prior to the Effective Date; or
  - (ii) for any liabilities of the Retiring Trustee which arose prior to the Effective Date.

- 2.8 The New Trustee hereby undertakes with each of the other parties to this Deed that, on and from the Effective Date, it will perform in accordance with their terms all those obligations which by the terms of this Deed have been assumed by it as trustee of the trust created under the Note Trust Deed.

### **3. VESTING OF TRUST PROPERTY**

- 3.1 The parties hereto intend the Trust Property to vest in the New Trustee by operation of section 40 of the Trustee Act 1925.
- 3.2 Without prejudice to the vesting of the Trust Property pursuant to section 40 of the Trustee Act 1925, the Retiring Trustee hereby assigns to the New Trustee its whole right, title and interest, present and future, in and to the Trust Property.
- 3.3 The New Trustee hereby gives notice of the assignment above to the Issuer and the Issuer acknowledges such notice.

### **4. CLARIFICATION OF CONDITION 4**

For the avoidance of doubt and with regard to Condition 4(f) (*Determination or Calculation by the Note Trustee*) of the Conditions, the New Trustee shall not be required to exercise any discretion in respect of the provisions of Condition 4.2. If the New Trustee does perform a calculation as contemplated under Condition 4.2, then it may do so having regard to the provisions applicable and rights afforded to the Agent Bank under clause 3.5 of the Paying Agent and Agent Bank Agreement.

### **5. NOTICES**

For the purpose of Clause 27 of the Note Trust Deed, any notice or demand to the New Trustee to be given, made or served for any purposes 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:

The Bank of New York Mellon, London Branch  
One Canada Square  
London E14 5AL

For the attention of: Trustee Administration Manager

Email: corpsov2@bnymellon.com

Facsimile: + 44 (0) 20 7964 2509

### **6. FURTHER ASSURANCES**

#### **6.1 General**

The parties agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Deed, including the transfer of all Trust Property from the Retiring Trustee to the New Trustee.

#### **6.2 Turnover to the New Trustee**

- (a) If at any time after the Effective Date, the Retiring Trustee receives or recovers any sum which should have been paid to the New Trustee, the Retiring Trustee shall hold that amount on trust for the New Trustee and promptly pay that amount to or to the order of the New

Trustee or, if this trust cannot be given effect to, the Retiring Trustee shall promptly pay an amount equal to that receipt or recovery to or to the order of the New Trustee. The Retiring Trustee shall not be liable for any liabilities incurred in connection with any incorrectly directed funds transfer unless such liability was directly caused by the Retiring Trustee's fraud, gross negligence or wilful default.

- (b) If at any time after the Effective Date, the Retiring Trustee receives any notice which should have been delivered to the New Trustee, the Retiring Trustee shall promptly pass on such notice to the New Trustee.

### **6.3 Transfer and Perfection**

The Retiring Trustee must promptly on request by the New Trustee make available to the New Trustee those documents and records and provide any assistance the New Trustee may reasonably request for the purposes of performing its functions as Note Trustee under the Note Trust Deed.

## **7. SUPPLEMENTAL**

Save as expressly provided in this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **8. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile or electronic transmission).

## **9. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **10. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

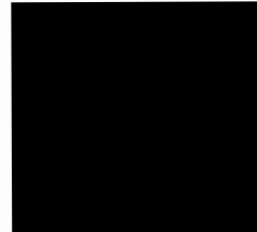
## **11. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Retiring Trustee, the New Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) 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 Retiring Trustee, the New Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (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, the Retiring Trustee and the New Trustee and delivered on the date first stated on page 1.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
Per pro Intertrust Directors 1 Limited as Director )  
Per pro Intertrust Directors 2 Limited as Director )



**The Retiring Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**LAW DEBENTURE TRUST COMPANY** )  
**OF NEW YORK** )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**The New Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON, LONDON BRANCH** )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory : : :  
Name:

in the presence of

Witness:  
Name:  
Address:

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer, the Retiring Trustee and the New Trustee and delivered on the date first stated on page 1

**The Issuer**

EXECUTED and DELIVERED as a DEED by )  
FOSSE MASTER ISSUER PLC )  
Per pro Intertrust Directors 1 Limited as Director )  
Per pro Intertrust Directors 2 Limited as Director )

**The Retiring Trustee**

EXECUTED and DELIVERED as a DEED by )  
LAW DEBENTURE TRUST COMPANY )  
OF NEW YORK )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**The New Trustee**

EXECUTED and DELIVERED as a DEED by )  
THE BANK OF NEW YORK MELLON, LONDON BRANCH )  
acting by its authorised signatory )

By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer, the Retiring Trustee and the New Trustee and delivered on the date first stated on page 1.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )  
Per pro Intertrust Directors 1 Limited as Director )  
Per pro Intertrust Directors 2 Limited as Director )

**The Retiring Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**LAW DEBENTURE TRUST COMPANY** )  
**OF NEW YORK** )  
acting by its authorised signatory )


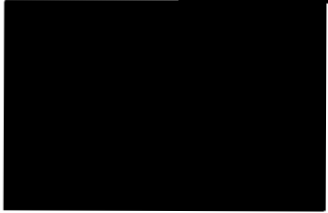
By:  
Duly authorised attorney/signatory  
Name:

in the presence of

Witness:  
Name:  
Address:

**The New Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON, LONDON BRANCH** )  
acting by its authorised signatory )

By:   
Duly authorised attorney/signatory  
Name: 

in the presence of

Witness:  
Name:  
Address:



**SUPPLEMENTAL NOTE TRUST DEED**

**13 SEPTEMBER 2019**

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

**ALLEN & OVERY**

**Allen & Overy LLP**



## CONTENTS

Clause	Page
1. Interpretation and Construction.....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	5
5. Rights of Third Parties.....	5
6. Governing Law .....	5
7. Submission to Jurisdiction.....	5

## Schedule

1. Clause 21.7 ( <i>Additional Right of Modification</i> ) .....	7
2. Terms and Conditions of the Notes .....	10

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 13 September 2019

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at One Canada Square, London E14 5AL (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 9 October 2014 and 29 April 2016 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

- 2.1 The Issuer and the Note Trustee agree that, with effect on and from the date hereof only and not with respect to any Notes issued prior to the date hereof, that clause 21 (*Waiver, Authorisation and Determination*) of the Existing Note Trust Deed is hereby modified to include clause 21.7 (*Additional Right of Modification*) as set out in Schedule 1 (*Clause 21.7 (Additional Right of Modification)*) hereto.
- 2.2 The Issuer and the Note Trustee agree that, with effect on and from the date hereof, paragraph 2 in Schedule 6 (*Provisions for Meetings of Noteholders*) of the Existing Note Trust Deed shall be deleted and replaced as follows:
- “2. The Issuer or the Note Trustee may at any time, and the Issuer shall upon a requisition in writing signed by the holders of not less than one-tenth in principal amount of the Notes of any Class for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Note Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the UK (or, if applicable, the European Union).”
- 2.3 The Issuer and the Note Trustee agree that, with effect on and from the date hereof, paragraph 3 in Schedule 6 (*Provisions for Meetings of Noteholders*) of the Existing Note Trust Deed shall be deleted and replaced as follows:
- “3. At least 21 days' (and no more than 365 days') notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that the holders of Notes of the relevant class may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Note Trustee (unless the meeting is convened by the Note Trustee) and, to the Issuer (unless the meeting is convened by the Issuer).”

## **2.4 Conditions**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

**4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

**5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

**7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (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 3.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by  
FOSSE MASTER ISSUER PLC**

Per pro Intertrust Directors 1 Limited as Director  
Per pro Intertrust Directors 2 Limited as Director



**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON,** )  
**LONDON BRANCH** )  
**acting by its authorised signatory** )

By:   
Duly authorised attorney/signatory **Vice President**  
Name:

in the presence of

Witness:  
Name:  
Address:

## SCHEDULE 1

### CLAUSE 21.7 (*ADDITIONAL RIGHT OF MODIFICATION*)

Notwithstanding any other provision in this Clause 21, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) to the Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the screen rate or base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after the date of this supplemental deed, and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:

- (a) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:
  - (i) a material disruption to LIBOR, EURIBOR or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
  - (ii) the insolvency or cessation of business of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
  - (iii) a public statement by the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
  - (iv) a public statement by the supervisor of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (v) a public statement by the supervisor of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (vi) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (vii) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (viii) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (i) to (vii) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;

- (b) such Alternative Base Rate is a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (c) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
- (d) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (X) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (Y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (Z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with Condition 14 (*Notice to Noteholders*) and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with Condition 11 (*Meetings of Noteholders, Modifications and Waiver*).

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this Clause 21.7 affects the rights of the Noteholders of Notes issued prior to the date of this supplemental deed in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this Clause 21.7, Condition 11 (*Meetings of Noteholders, Modifications and Waiver*) or any Transaction Document, when implementing any Base Rate Modification pursuant to this Clause 21.7:

- (A) the Note Trustee shall not consider the interests of the Noteholders, any other Issuer Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Issuer Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (B) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or the Conditions.

Any such Base Rate Modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to each Rating Agency, the Note Trustee and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that, on each such occasion, the conditions set out in this Clause 21.7 are satisfied.



**SCHEDULE 2**  
**TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being One Canada Square, London E14 5AL, and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP, and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 18**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depository for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption notes, pass-through notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## 1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## 1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### 2.2 Conflict between the Classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D

Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and

- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### **2.3 Security**

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## **3. COVENANTS**

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or Premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### **3.12 United States Activities**

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## **4. INTEREST**

### **4.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.



If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “**Actual/Actual (ICMA)**” is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “**30/360**” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## **4.2 Interest on Floating Rate Notes**

### **(a) Interest Payment Dates**

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If a **Business Day Convention** is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “**Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “**Modified Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “**Preceding Business Day Convention**”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre).

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

**(i) ISDA Determination for Floating Rate Notes**

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR, EURIBOR, JPY LIBOR or CDOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

**(ii) Screen Rate Determination for Floating Rate Notes**

Where “**Screen Rate Determination**” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, and the Reference Rate is specified in the applicable Final Terms as being a rate other than

SONIA, Compounded Daily SOFR or Weighted Average SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. London time (in the case of LIBOR, USD-LIBOR or JPY-LIBOR), 11.00 a.m. Brussels time (in the case of EURIBOR), 10.15 a.m. Toronto time (in the case of CDOR) (the **Specified Time**) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (ii)(A), no offered quotation appears or, in the case of clause (ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent Bank by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

## **SONIA**

Where **Screen Rate Determination** is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being SONIA, the Rate

of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** is the number of calendar days in the relevant Interest Period;

**d<sub>o</sub>** is the number of London Banking Days in the relevant Interest Period;

**i** is a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

**London Banking Day** or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**n<sub>i</sub>**, for any day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London Banking Day;

**Observation Period** means the period from and including the date falling **p** London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling **p** London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** London Banking Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**p** means, for any Interest Period, the number of London Banking Days included in the **Observation Look-back Period**, being not less than 5 London Banking Days, as specified in the applicable Final Terms;

the **SONIA reference rate**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

**SONIA<sub>i-pLBD</sub>** means, in respect of any London Banking Day falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling **p** London Banking Days prior to the relevant London Banking Day **i**.

If, in respect of any London Banking Day in the relevant Observation Period, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest

spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA<sub>*i*</sub> for the purpose of the relevant Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine SONIA<sub>*i*</sub>, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

### Compounded Daily SOFR

Where Screen Rate Determination is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, the Rate of Interest for each Interest Period will be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily SOFR means the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on each Interest Determination Date as follows, with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_{i-pUSBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Interest Period;

**d<sub>0</sub>**, for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

**i** means a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

**SOFR<sub>*i*</sub>** means, for any U.S. Government Securities Business Day *i*

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, the SOFR in respect of such U.S. Government Securities Business Day;
- (b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method:
  - (i) for any such U.S. Government Securities Business Day that is a SOFR Reset Date, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date, and
  - (ii) for any such U.S. Government Securities Business Day that is not a SOFR Reset Date, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date of the relevant Interest Period;

**p** means

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days);
- (b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method, zero;

**USBD** means U.S. Government Securities Business Day;

**$n_i$** , for any U.S. Government Securities Business Day, means the number of calendar days from, and including, such U.S. Government Securities Business Day up to, but excluding, the following U.S. Government Securities Business Day; and

**SOFR <sub>$i-pUSBD$</sub>**  means, in respect of any U.S. Government Securities Business Day falling in the relevant Interest Period, the SOFR for the U.S. Government Securities Business Day falling  $p$  U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day  $i$ .

### **Weighted Average SOFR**

Where **Screen Rate Determination** is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Weighted Average SOFR, the Rate of Interest for each Interest Period will be Weighted Average SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

**Weighted Average SOFR**, in relation to any Interest Period, means the arithmetic mean of SOFR <sub>$i$</sub>  in effect during such Interest Period (each such U.S. Government Securities Business Day,  $i$ ), and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms Document) on each Interest Determination Date by multiplying the relevant SOFR <sub>$i$</sub>  by the number of days such SOFR <sub>$i$</sub>  is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Floating Rate Notes become due and payable in accordance with Conditions 9 or 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

### **(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “**Actual/365**” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “**30E/360**” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may

subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)(i)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

**4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:



- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

## **5. REDEMPTION AND MANDATORY TRANSFER**

### **5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

### **5.2 Mandatory Redemption of the Notes in Part**

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

### **5.3 Note Principal Payments and Principal Amount Outstanding**

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

#### **5.4 Optional Redemption in Full**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

#### **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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.6 Optional Redemption in Part

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount

for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

- RP = the Reference Price;
- AY = the Accrual Yield expressed as a decimal; and
- y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6 above** or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## **5.9 Increase in a Class Z Variable Funding Note**

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## **6. PAYMENTS**

### **6.1 Payment of Interest and Principal**

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### **6.3 Payment of Interest Following a Failure to Pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

#### **6.5 No Payment on Non-Business Day**

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

#### **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

#### **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

#### **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

### **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

### **8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such

withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## **9. EVENTS OF DEFAULT**

### **9.1 Class A Noteholders**

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of

its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

## 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration**



**Notice)** to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

## **9.5 Class D Noteholders**

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## **9.6 Class Z Noteholders**

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

### 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

**(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## 11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each

case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each

Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

### 11.5 Modifications and Determinations by Note Trustee

Subject as provided in the Trust Deed, 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, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the screen rate or base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 13 September 2019 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:

- (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:
  - (A) a material disruption to LIBOR, EURIBOR or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
  - (B) the insolvency or cessation of business of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
  - (C) a public statement by the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
  - (D) a public statement by the supervisor of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;



- (E) a public statement by the supervisor of the administrator of LIBOR, EURIBOR or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
  - (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (d) affects the rights of the Noteholders of Notes issued prior to 5 March 2018 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- 11.6 the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**) as amended by the EMIR Refit 2.1, irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

### **11.7 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

### **11.8 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to

require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## 12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### 13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### 14. NOTICE TO NOTEHOLDERS

#### 14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the notes are admitted to trading on the London Stock Exchange's regulated market and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### 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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

#### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

### 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

### 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and

- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.2(a)** and, if (i) the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Capital Requirements Regulation** means Regulation (EU) No. 575/2013 (as amended by the CRR Amendment Regulation);

**CDOR** means the Canadian Dealer Offered Rate, the recognised benchmark index for Canadian bankers' acceptances, as further described in the Issuer Master Definitions and Construction Schedule under "**Canadian Bankers Acceptances**";

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**CRR Amendment Regulation** means Regulation (EU) 2017/2401;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;



**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear Bank S.A./N.V.;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the base prospectus and any Series and Class of Notes issued on or after the date of the base prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means each of the LIBOR Funding 1 Swap Agreement and the SONIA Funding 1 Swap Agreement.

**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 Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the

Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**JPY LIBOR** means the London inter-bank offered rate for deposits in Japanese yen;

**LIBOR** means the London inter-bank offered rate, as further described in the Issuer Master Definitions and Construction Schedule;

**LIBOR Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto entered into on the Initial Closing Date between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the LIBOR Funding 1 Swaps;

**LIBOR Funding 1 Swaps** means any swap documented under the LIBOR Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to LIBOR-linked Intercompany Loans arising from the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the base rate loans (as applicable) and a sterling LIBOR based rate for three-month sterling deposits;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended, restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**OBFR** means the Overnight Bank Funding Rate that appears on the Federal Reserve's website at 5:00 p.m. (New York time) on an Interest Payment Date for trades made on the related Interest Determination Date;

**OBFR Index Cessation Date** means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms);

**OBFR Index Cessation Event** means the occurrence of one or more of the following events:

- (1) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;
- (2) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (3) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "OBFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or

- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Banks** has the meaning given to it in the Issuer Master Definitions and Construction Schedule;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;



**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means the rate determined in accordance with the following provisions:

- (1) the Secured Overnight Financing Rate that appears on the Federal Reserve's website at 5:00 p.m. (New York time) on an U.S. Government Securities Business Day;
- (2) if the rate specified in paragraph (1) above does not so appear, and a SOFR Index Cessation has not occurred, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall use the Secured Overnight Financing Rate published on the Federal Reserve's website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the Federal Reserve's website;
- (3) if a SOFR Index Cessation Date has occurred, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall calculate SOFR as if references to SOFR were references to the rate that was recommended as (and notified by the Issuer to the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as) being the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any adjustments or spreads). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Date, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall use OBFR published on the Federal Reserve's website for any Interest Payment Date after the SOFR Index Cessation Date; and
- (4) if the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) is required to use OBFR in paragraph (3) above and an OBFR Index Cessation Date has occurred, then for any Interest Payment Date after such OBFR Index Cessation Date, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

**SOFR Index Cessation Date** means, following the occurrence of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms);

**SOFR Index Cessation Event** means the occurrence of one or more of the following events:

- (1) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;

- (2) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- (3) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "SOFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA;

**SOFR Reset Date** means each U.S. Government Securities Business Day in the relevant Interest Period, other than any U.S. Government Securities Business Day during the period from (and including) the day following the relevant Interest Determination Date to (but excluding) the corresponding Interest Payment Date;

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England.

**SONIA Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto entered into on 13 September 2019 between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the SONIA Funding 1 Swaps;

**SONIA Funding 1 Swaps** means any swap documented under the SONIA Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the base rate loans (as applicable) and a compounded daily SONIA rate;

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)(ii)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Master Issuer Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Master Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**USD-LIBOR** means the London inter-bank offered rate for deposits in U.S. dollars, as further described in the Issuer Master Definitions and Construction Schedule;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

**EXECUTION VERSION**

## **SUPPLEMENTAL NOTE TRUST DEED**

29 July            2021

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

CONTENTS

Clause	Page
1. Interpretation and Construction.....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	5
4. Counterparts .....	5
5. Rights of Third Parties.....	5
6. Governing Law .....	5
7. Submission to Jurisdiction.....	5

Schedule

1. Terms and Conditions of the Notes .....	7
--	---

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 29 July 2021

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at One Canada Square, London E14 5AL (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 9 October 2014, 29 April 2016 and 13 September 2019 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## 2. AMENDMENT OF THE EXISTING NOTE TRUST DEED

- 2.1 The parties hereto agree that, with effect on and from the date hereof, the Existing Note Trust Deed shall be modified by adding a new clause 27.3 as follows:

### "27.3 Electronic Means

In no event shall the Note Trustee be liable for any losses arising from the Note Trustee receiving or transmitting any data to the Master Issuer or acting upon any notice, instruction or other communications via any Electronic Means (save where such losses are incurred as a result of any negligence or wilful default of the Note Trustee). The Note Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuer.

For these purposes, **Electronic Means** shall mean the following communications methods: (i) non-secure methods of transmission or communication such as e-mail and facsimile transmission and (ii) secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by the Note Trustee, or another method or system specified by the Note Trustee as available for use in connection with its services hereunder."

- 2.2 The parties hereto agree that, with effect on and from the date hereof, the Existing Note Trust Deed shall be modified by adding a new clause 33 as follows:

"(a) The Issuer covenants and represents that neither they nor any of their affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively **Sanctions**).

(b) The Issuer covenants and represents that neither they nor any of their affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Deed, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person and as if those Sanctions applied to the Issuer."

- 2.3 The parties hereto agree that, with effect on and from the date hereof, the Existing Note Trust Deed shall be modified by adding the following additional wording to paragraph 30 of Schedule 6 (Provisions for Meetings of Noteholders) to the Note Trust Deed:

"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, **including the holding of "virtual" meetings by way of conference call or videoconference**, as the Note Trustee may in its sole discretion think fit."

## 2.4 Conditions

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (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 3.

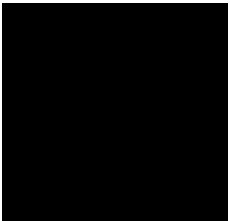
**The Issuer**

**EXECUTED and DELIVERED as a DEED by  
FOSSE MASTER ISSUER PLC**

Per pro Intertrust Directors 1 Limited as Director

Per pro Intertrust Directors 2 Limited as Director

)  
)  
)  
)  
)





**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON,** )  
**LONDON BRANCH** )  
**acting** by its authorised signatory )



Duly authorised attorney/signatory

Name: 

SCHEDULE 1

**TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 18**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption notes, pass-through notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

### **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

### 1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

### 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company;
- or

- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### 2.2 Conflict between the Classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

*Terms and conditions of the notes*

- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of

which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### **2.3 Security**

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## **3. COVENANTS**

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**



incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### 3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### 3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### 3.9 Employees or Premises

have any employees or premises or subsidiaries;

### 3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### 3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “**Actual/Actual (ICMA)**” is specified for such Note in the applicable Final Terms:
- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “**30/360**” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If a **Business Day Convention** is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “**Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “**Modified Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “**Preceding Business Day Convention**”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre).

**(b) Rate of Interest**

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR, AUD-BBR-BBSW or CDOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Notes  
**SONIA**

**Compounded Daily SONIA (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the

applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SONIA<sub>i-pLBD</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SONIA<sub>i</sub>;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**i** means a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**n<sub>i</sub>**, for any London Business Day i, means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day);

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day *i* falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day *i* falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling *p* London Business Days prior to such day.

### Compounded Daily SONIA (Index Determination)

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SONIA Index**); or (iii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA\ Index_{End}}{SONIA\ Index_{start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is *p* London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is *p* London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

**SOFR****Compounded Daily SOFR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**i** means a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant U.S.

Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

$n_i$ , for any U.S. Government Securities Business Day  $i$ , means the number of calendar days from (and including) such U.S. Government Securities Business Day up to (but excluding) the following U.S. Government Securities Business Day;

$p$  means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or a successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) that appears on the SOFR Administrator's Website on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and
- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the SOFR Administrator's Website; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day  $i$  falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day  $i$  falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling  $p$  U.S.



Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) by reference to the screen rate or index for compounded daily SOFR administered by the SOFR Administrator that is published or displayed on the SOFR Administrator's Website or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SOFR Index**); or (iii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which  $SOFR\ Index_{Start}$  is determined to (but excluding) the day in relation to which  $SOFR\ Index_{End}$  is determined;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or a successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at the SOFR Determination Time;

- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to the final paragraph of Compounded Daily SOFR (Index Determination); or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index Rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published or displayed on the SOFR Administrator's Website and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## €STR

### Compounded Daily €STR (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party

responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily } \text{€STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, €STR<sub>i-pTBDx</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, €STR<sub>i</sub>; and

**d<sub>o</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day i the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day i falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling p TARGET Business Days prior to the relevant TARGET Business Day i;

**€STR reference rate** in respect of any TARGET Business Day ("**TBDx**"), means a reference rate equal to the daily Euro Short-Term Rate ("**€STR**") rate for such TBDx as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**i** means a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant

TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

$n_i$ , for any day TARGET Business Day  $i$ , means the number of calendar days from (and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

$p$  means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the TARGET2 system is open.

### Compounded Daily €STR (Index Determination)

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) by reference to the screen rate or index for compounded daily €STR rates administered by the administrator of the €STR reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **€STR Index**); or (iii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

$d$  means the number of calendar days from (and including) the day in relation to which  $\text{€STR Index}_{Start}$  is determined to (but excluding) the day in relation to which  $\text{€STR Index}_{End}$  is determined;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is  $p$  TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is  $p$  TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

$p$  means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the TARGET2 system is open.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published or displayed by the administrator of the €STR reference rate or other information service by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the €STR reference rate or of such other information service, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published by the European Central Bank on its website, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

#### **Other Reference Rates**

Where Screen Rate Determination and Term Rate are specified as "Applicable" in the applicable Final Terms for a Floating Rate Note or the Reference Rate is specified as being a rate other than SONIA, SOFR or €STR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 10:15 a.m. Toronto time (in the case of CDOR), 11.00 a.m. Brussels time (in the case of EURIBOR) or 10.10 Sydney time (in the case of AUD-BBR-BBSW) (or such other time as specified in the applicable Final Terms) (the **Specified Time**) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (ii)(A), no offered quotation appears or, in the case of clause (ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Agent Bank shall request each of the Reference Banks to provide the Agent Bank with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent Bank with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent Bank.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent Bank by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) or the Australian inter-bank market (if the Reference Rate is AUD-BBR-BBSW) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent Bank with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) or the Australian inter-bank market (if the Reference Rate is AUD-BBR-BBSW) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if "**Actual/365**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "**30/360**", "**360/360**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "**30E/360**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)(i)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

**4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**



If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

## **5. REDEMPTION AND MANDATORY TRANSFER**

### **5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

### **5.2 Mandatory Redemption of the Notes in Part**

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

### **5.3 Note Principal Payments and Principal Amount Outstanding**

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer

of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

#### 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

#### 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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1

(as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.6 Optional Redemption in Part

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on

the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

- RP = the Reference Price;
- AY = the Accrual Yield expressed as a decimal; and
- y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6 above** or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS

### 6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### 6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### 6.3 Payment of Interest Following a Failure to Pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### 6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

#### **6.5 No Payment on Non-Business Day**

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

#### **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

#### **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

#### **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

### **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

### **8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such

withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar

arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

## 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default



(as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

## **9.5 Class D Noteholders**

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## **9.6 Class Z Noteholders**

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## **9.7 Following Service of a Note Acceleration Notice**

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## **10. ENFORCEMENT OF NOTES**

### **10.1 Enforcement**

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

### **10.2 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;

- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At

least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## 11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary

Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

**11.5 Modifications and Determinations by Note Trustee**

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
  - (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 29 July 2021 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
  - (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:
    - (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
    - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
    - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
    - (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
    - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the



relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;

- (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
  - (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the

notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 29 July 2021 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

**(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b)(ii) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 29 July 2021 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate

of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 29 July 2021:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled "*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*", including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).
- IV. The following definitions shall apply to this section titled "*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*":
  - (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
  - (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
  - (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

*Terms and conditions of the notes*

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

*Terms and conditions of the notes*

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
  - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
  - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any

liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" are satisfied.

(d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

## 11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

## 11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## 12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### 13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### 14. NOTICE TO NOTEHOLDERS

#### 14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### 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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

#### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC

(in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### **14.4 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

#### **15. NOTES ISSUES**

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

#### **16. RATING AGENCIES**

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

#### **17. GOVERNING LAW AND JURISDICTION**

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

#### **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**€STR** means the Euro Short-Term Rate;

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**AUD-BBR-BBSW** means the average mid rate for Australian dollars of exchange which appears on the Reuters Screen BBSW Page;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.2(a)** and, if (i) the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**CDOR** means the Canadian Dealer Offered Rate, the recognised benchmark index for Canadian bankers' acceptances, as further described in the Issuer Master Definitions and Construction Schedule under "**Canadian Bankers Acceptances**";

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the base prospectus and any Series and Class of Notes issued on or after the date of the base prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further

amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means each of the LIBOR Funding 1 Swap Agreement and the SONIA Funding 1 Swap Agreement.

**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 Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time); **Interest Period** means in relation to a series and class of notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**LIBOR** means the London inter-bank offered rate, as further described in the Issuer Master Definitions and Construction Schedule;

**LIBOR Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto entered into on the Initial Closing Date between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the LIBOR Funding 1 Swaps;

**LIBOR Funding 1 Swaps** means any swap documented under the LIBOR Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to LIBOR-linked Intercompany Loans arising from the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a sterling LIBOR based rate for three-month sterling deposits;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages

Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Banks** has the meaning given to it in the Issuer Master Definitions and Construction Schedule;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England.

**SONIA Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto entered into on 13 September 2019 between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the SONIA Funding 1 Swaps;

**SONIA Funding 1 Swaps** means any swap documented under the SONIA Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)(ii)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

**EXECUTION VERSION**

# **SUPPLEMENTAL NOTE TRUST DEED**

28 June  
\_\_\_\_\_ 2022

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

CONTENTS

Clause	Page
1. Interpretation and Construction.....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties.....	4
6. Governing Law .....	4
7. Submission to Jurisdiction.....	4

Schedule

1. Terms and Conditions of the Notes .....	6
--	---



**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 28 June 2022

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at One Canada Square, London E14 5AL (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 9 October 2014, 29 April 2016, 13 September 2019 and 29 July 2021 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020, 29 July 2021 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019, 29 July 2021 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

### **2.1 Conditions**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

## **5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

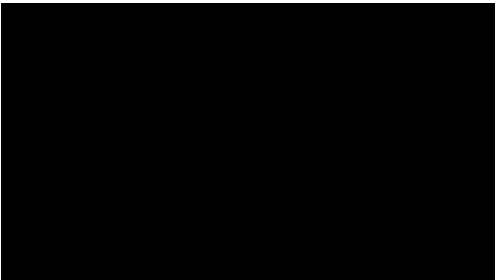
**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 3.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )

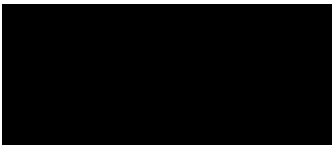
Per pro Intertrust Directors 1 Limited as Director )

Per pro Intertrust Directors 2 Limited as Director )



**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON,** )  
**LONDON BRANCH** )  
**acting** by its authorised signatory )



Duly authorised attorney/signatory

Name: 

## **SCHEDULE 1**

### **TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 18**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption notes, pass-through notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## 1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## 1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in

the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## 2. STATUS, PRIORITY AND SECURITY

### 2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### 2.2 Conflict between the Classes of Notes



The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders,

the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### 2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

**3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

**3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

**3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

**3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

**3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

**3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

**3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

**3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

**3.9 Employees or Premises**

have any employees or premises or subsidiaries;

**3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

**3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if "**Actual/Actual (ICMA)**" is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

- (b) if “**30/360**” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## 4.2 Interest on Floating Rate Notes

### (a) *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If a **Business Day Convention** is specified for a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “**Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “**Modified Following Business Day Convention**”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “**Preceding Business Day Convention**”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre).

### (b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

**SONIA**

**Compounded Daily SONIA (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method,  $SONIA_{i-pLBD}$ ; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method,  $SONIA_i$ ;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**i** means a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day or LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**n<sub>i</sub>**, for any London Business Day i, means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p London

Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day i falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day i falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling p London Business Days prior to such day.

### **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;



**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final

Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

## SOFR

### Compounded Daily SOFR (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_Q} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**i** means a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**n<sub>i</sub>**, for any U.S. Government Securities Business Day i, means the number of calendar days from (and including) such U.S. Government Securities Business Day

up to (but excluding) the following U.S. Government Securities Business Day;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) as provided by the SOFR Administrator and published, displayed or made available on the Designated Source on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and
- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day i falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day i falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling p U.S. Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income

departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which  $SOFR\ Index_{Start}$  is determined to (but excluding) the day in relation to which  $SOFR\ Index_{End}$  is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the

SOFR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time;
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to the penultimate paragraph of Compounded Daily SOFR (Index Determination); or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published, displayed or made available on the Designated Source and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published, displayed or made available on the Designated Source and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## €STR

### Compounded Daily €STR (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{Daily €STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, €STR<sub>i-pTBDx</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, €STR<sub>i</sub>; and

**d<sub>0</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day *i* the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day *i* falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling *p* TARGET Business Days prior to the relevant TARGET Business Day *i*;

**€STR Administrator** means the European Central Bank or any successor administrator of €STR;

**€STR Administrator's Website** means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;

**€STR reference rate** in respect of any TARGET Business Day ("**TBDx**"), means a reference rate equal to the daily Euro Short-Term Rate ("**€STR**") rate for such TBDx provided by €STR Administrator and published, displayed or made available on the Designated Source on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling *p* TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling *p* TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling *p* TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

***i*** means a series of whole numbers from 1 to *do*, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

***n<sub>i</sub>***, for any day TARGET Business Day *i*, means the number of calendar days from



(and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

**p** means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the TARGET2 system is open.

### **Compounded Daily €STR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{\text{End}}}{\text{€STR Index}_{\text{Start}}} - 1 \right) \times \frac{360}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which €STR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR Index** means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or

made available on the Designated Source on the relevant Interest Determination Date;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is p TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is p TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**p** means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the TARGET2 system is open.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator or such other authorised distributor or information service provider, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published on the Designated Source, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that

determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

### **Other Reference Rates**

Where **Screen Rate Determination** is specified as "Applicable" for a Floating Rate Note and the Reference Rate is specified as being EURIBOR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the published rate for EURIBOR which appears on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus the Margin (if any) as determined by the Agent Bank.

If the Relevant Screen Page is not available or no published rate for EURIBOR appears, unless both an Index Cessation Event and an Index Cessation Event Effective Date have occurred, the Rate of Interest will be determined by the Agent Bank using the published rate for EURIBOR which appeared on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the last preceding Business Day prior to the Interest Determination Date for which the Relevant Screen Page was available or in respect of which such published rate was available, plus or minus the Margin (if any).

If the Relevant Screen Page is not available or no published rate for EURIBOR appears at the Specified Time, and both an Index Cessation Event and an Index Cessation Effective Date have occurred, the Rate of Interest shall be determined by the Agent Bank as if references in these Conditions to "EURIBOR" were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR by the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for such rate (and each such replacement rate having been notified in writing by the Master Issuer to the Agent Bank), provided that, if no such rate has been recommended before the end of the first Interest Determination Date following the date on which the relevant Index Cessation Event occurred, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined as the Rate of Interest as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition:

**Index Cessation Effective Date** means the first date on which EURIBOR is no longer provided by the administrator of EURIBOR; and

**Index Cessation Event** means the occurrence of one or more of the following events in respect of

**EURIBOR:**

(A) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR; or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if "**Actual/365**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (iv) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "**30/360**", "**360/360**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "**30E/360**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)(i)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

#### **4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

### **5. REDEMPTION AND MANDATORY TRANSFER**

#### **5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

## 5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

## 5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

## 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the

aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or

- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note



Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.6 Optional Redemption in Part

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP	=	the Reference Price;
AY	=	the Accrual Yield expressed as a decimal; and
y	=	a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6 above** or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing

Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS

### 6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### 6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### 6.3 Payment of Interest Following a Failure to Pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### 6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

## **6.5 No Payment on Non-Business Day**

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## 8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the

appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days

in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

#### 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

#### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

#### 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.



The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## 11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

### 11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### (a) Class A Notes

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

**(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

**(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an

Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## 11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one

or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

### 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of

any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

## 11.5 Modifications and Determinations by Note Trustee

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
  - (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 28 June 2022 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
  - (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:
    - (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
    - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
    - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;

- (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is either:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - (B) a base rate that has replaced the Applicable Base Rate or any other relevant interest rate benchmark in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) denominated in the Specified Currency in respect of notes, bonds or securities and with an interest period of a comparable duration to the relevant Interest Periods or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in a good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Applicable Base Rate or any other relevant interest rate benchmark;
- (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and



- (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 28 June 2022 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its

satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

**(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b)(ii) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 28 June 2022 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 28 June 2022:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”, including any determination with respect to a tenor, rate or

adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).

IV. The following definitions shall apply to this section titled "*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*":

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such

tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time

determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
  - VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
  - VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
    - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
    - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.
  - VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" are satisfied.
- (d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the

Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

## **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by

an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

### 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

## 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## 18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. **DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**€STR** means the Euro Short-Term Rate;

**€STR Administrator** has the meaning given to it in Condition 4.2(b)(ii) (Screen rate determination for Floating Rate Notes);

**€STR Index** has the meaning given to it in Condition 4.2(b)(ii) (Screen rate determination for Floating Rate Notes);

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.2(a)** and, if (i) the relevant Final Terms specify that the Reference Rate is “Compounded Daily SOFR” and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Designated Source** has the meaning given to it in **Condition 4.2(b)(ii)** (Screen rate determination for Floating Rate Notes), in each case in respect of SONIA, SOFR or €STR, as applicable;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the base prospectus and any Series and Class of Notes issued on or after the date of the base prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated 29 July 2020 and made between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the Funding 1 Swaps;

**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 Swaps** means any swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Index Cessation Effective Date** has the meaning given to it in **Condition 4.2(b)(ii)** (Screen rate determination for Floating Rate Notes);

**Index Cessation Event** has the meaning given to it in **Condition 4.2(b)(ii)** (Screen rate determination for Floating Rate Notes);

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period

from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;



**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account

Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes where the Reference Rate is EURIBOR, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding 1 Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate;

**SOFR Administrator** has the meaning given to it in **Condition 4.2(b)(ii)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)(ii)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)(ii)** (*Screen rate determination for Floating Rate Notes*);

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Administrator** has the meaning given to it in **Condition 4.2(b)(ii)** (*Screen rate determination for Floating Rate Notes*);

**SONIA Index** has the meaning given to it in **Condition 4.2(b)(ii)** (*Screen rate determination for Floating Rate Notes*);

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)(ii)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**sub-unit** means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A. acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

# **SUPPLEMENTAL NOTE TRUST DEED**

16 June 2023

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**



## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties.....	4
6. Governing Law .....	4
7. Submission to Jurisdiction.....	4

### Schedule

1. Terms and Conditions of the Notes .....	7
--	---

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 16 June 2023

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 05925693) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 9 October 2014, 29 April 2016, 13 September 2019, 29 July 2021 and 28 June 2022 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020, 29 July 2021, 28 June 2022 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

### **2.1 Conditions**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

## **5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

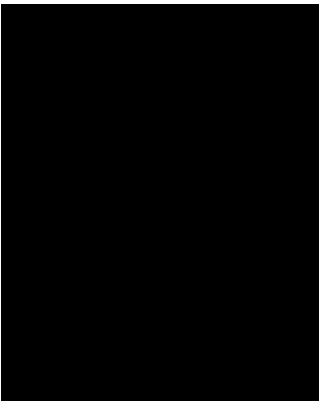
**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 3.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )

Per pro Intertrust Directors 1 Limited as Director )

Per pro Intertrust Directors 2 Limited as Director )

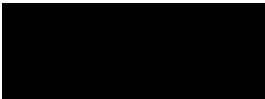


**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON,** )  
**LONDON BRANCH** )  
**acting** by its authorised signatory )



Duly authorised attorney/signatory

Name: 

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption Notes, pass-through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.



The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## **1.4 Transfers**

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in

the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## **2. STATUS, PRIORITY AND SECURITY**

### **2.1 Status**

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### **2.2 Conflict between the Classes of Notes**

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders,

the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### 2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or Premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)), and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

### 4.2 Interest on Floating Rate Notes

#### (a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

#### (b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

Screen Rate Determination for Floating Rate Notes

**SONIA**

**Compounded Daily SONIA (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SONIA<sub>i-pLBD</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SONIA<sub>i</sub>;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day or LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**$n_i$** , for any London Business Day  $i$ , means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling  $p$  London Business Days prior to such day.

### **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the



applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p

London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

## **SOFR**

### **Compounded Daily SOFR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the

following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or

- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**$n_i$** , for any U.S. Government Securities Business Day  $i$ , means the number of calendar days from (and including) such U.S. Government Securities Business Day up to (but excluding) the following U.S. Government Securities Business Day;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) as provided by the SOFR Administrator and published, displayed or made available on the Designated Source on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and

- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
- (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

#### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition

Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which  $\text{SOFR Index}_{\text{Start}}$  is determined to (but excluding) the day in relation to which  $\text{SOFR Index}_{\text{End}}$  is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time;
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to the penultimate paragraph of Compounded Daily SOFR (Index Determination); or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for

the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day or USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published, displayed or made available on the Designated Source and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published, displayed or made available on the Designated Source and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## €STR

### Compounded Daily €STR (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily €STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method,  $\text{€STR}_{i-p\text{TBDx}}$ ; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method,  $\text{€STR}_i$ ; and

**d<sub>o</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day i the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day i falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling p TARGET Business Days prior to the relevant TARGET Business Day i;

**€STR Administrator** means the European Central Bank or any successor administrator of €STR;

**€STR Administrator's Website** means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;



**€STR reference rate** in respect of any TARGET Business Day ("**TBDx**"), means a reference rate equal to the daily Euro Short-Term Rate ("**€STR**") rate for such TBDx provided by the €STR Administrator and published, displayed or made available on the Designated Source on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling *p* TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling *p* TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling *p* TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**i** means a series of whole numbers from 1 to *do*, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**n<sub>i</sub>**, for any day TARGET Business Day *i*, means the number of calendar days from (and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

**p** means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

### **Compounded Daily €STR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to

which €STR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR Index** means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

***p*** means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator or such other authorised distributor or information service provider, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to *p* TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published on the Designated Source, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

#### **Other Reference Rates**

Where **Screen Rate Determination** is specified as "Applicable" for a Floating Rate Note and the Reference Rate is specified as being EURIBOR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the published rate for EURIBOR which appears on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus the Margin (if any) as determined by the Agent Bank.

If the Relevant Screen Page is not available or no published rate for EURIBOR appears, unless both an Index Cessation Event and an Index Cessation Event Effective Date have occurred, the Rate of Interest will be determined by the Agent Bank using the published rate for EURIBOR which appeared on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms)

on the last preceding Business Day prior to the Interest Determination Date for which the Relevant Screen Page was available or in respect of which such published rate was available, plus or minus the Margin (if any).

If the Relevant Screen Page is not available or no published rate for EURIBOR appears at the Specified Time, and both an Index Cessation Event and an Index Cessation Effective Date have occurred, the Rate of Interest shall be determined by the Agent Bank as if references in these Conditions to "EURIBOR" were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR by the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for such rate (and each such replacement rate having been notified in writing by the Issuer to the Agent Bank), provided that, if no such rate has been recommended before the end of the first Interest Determination Date following the date on which the relevant Index Cessation Event occurred, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined as the Rate of Interest as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition:

**Index Cessation Effective Date** means the first date on which EURIBOR is no longer provided by the administrator of EURIBOR; and

**Index Cessation Event** means the occurrence of one or more of the following events in respect of EURIBOR:

(A) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR; or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR.

**(c) *Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) *Determination of Rate of Interest and Calculation of Interest Amounts***

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) 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, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant

Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

#### **4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

#### **4.6 Business Day, Business Day Convention, Day Count Fractions and other adjustments**

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem (or any successor system) ("**T2**") is open for settlement of payments in euro.

If a **Business Day Convention** is specified for a Fixed Rate Note or a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2(b) (*Screen Rate Determination for Floating Rate Notes*), the "**Floating Rate Convention**", such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the "**Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (iii) the "**Modified Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the "**Preceding Business Day Convention**", the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day; or
- (v) the "**Modified Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Fixed Rate Note or a Floating Rate Note in accordance with this **Condition 4**, for any Interest Period:

- (a) if "**Actual/Actual (ICMA)**" is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (g) if "**30E/360**" or "**Eurobond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (h) such other Day Count Fraction as may be specified in the applicable Final Terms Document.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

If "**adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If "**not adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

## 5. REDEMPTION AND MANDATORY TRANSFER



## 5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

## 5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

## 5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

## 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30

days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such

Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **5.6 Optional Redemption in Part**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be

paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified: in respect of each Note, the Principal Amount Outstanding of such Note.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account (or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS

## **6.1 Payment of Interest and Principal**

Payments of principal shall be made 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 transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

## **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

## **6.3 Payment of Interest Following a Failure to Pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

## **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

## **6.5 No Payment on Non-Business Day**

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 (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## 7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## 8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

### 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

### 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which



for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## **9.6 Class Z Noteholders**

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## **9.7 Following Service of a Note Acceleration Notice**

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest.

## **10. ENFORCEMENT OF NOTES**

### **10.1 Enforcement**

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed

(including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## **10.2 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any))

and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a

meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each

case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially

prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

### 11.5 Modifications and Determinations by Note Trustee

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
  - (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 16 June 2023 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
  - (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:



- (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
  - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
  - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
  - (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is either:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - (B) a base rate that has replaced the Applicable Base Rate or any other relevant interest rate benchmark in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) denominated in the Specified Currency in respect of Notes, bonds or securities and with an interest period of a comparable duration to the relevant Interest Periods or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in

a good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Applicable Base Rate or any other relevant interest rate benchmark;

- (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
- (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 16 June 2023 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

**(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 16 June 2023 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 16 June 2023:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked

U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.

- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).
- IV. The following definitions shall apply to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”:

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
  - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
  - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights

or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" are satisfied.

(d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such



modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the Notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

#### **14.3 Global Notes**

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### **14.4 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

### **15. NOTES ISSUES**

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

### **16. RATING AGENCIES**

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## **17. GOVERNING LAW AND JURISDICTION**

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **19. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**€STR** means the Euro Short-Term Rate;

**€STR Administrator** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**€STR Index** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.6** and, if (i) the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Designated Source** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes), in each case in respect of SONIA, SOFR or €STR, as applicable;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the base prospectus and any Series and Class of Notes issued on or after the date of the base prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated 29 July 2020 and made between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the Funding 1 Swaps;

**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 Swaps** means any swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Index Cessation Effective Date** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);



**Index Cessation Event** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of Notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages

Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any Notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes where the Reference Rate is EURIBOR, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 02294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding 1 Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate;

**SOFR Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A. acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.



# **SUPPLEMENTAL NOTE TRUST DEED**

21 June 2024

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

## CONTENTS

Clause	Page
1. Interpretation and Construction.....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties.....	4
6. Governing Law.....	4
7. Submission to Jurisdiction.....	4

### Schedule

1. Terms and Conditions of the Notes .....	7
--	---

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 21 June 2024

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 05925693) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013 9 October 2014, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022 and 16 June 2023 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020, 29 July 2021, 28 June 2022, 16 June 2023, 14 May 2024 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022, 16 June 2023 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT OF THE EXISTING NOTE TRUST DEED**

### **2.1 Conditions**

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

## **5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

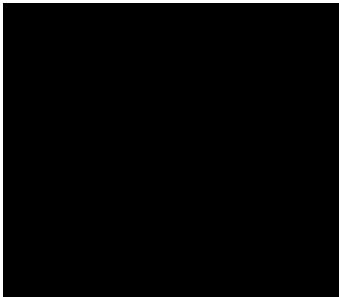
**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 3.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by** )  
**FOSSE MASTER ISSUER PLC** )

Per pro Intertrust Directors 1 Limited as Director )

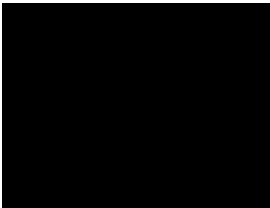
Per pro Intertrust Directors 2 Limited as Director )



**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by**  
**THE BANK OF NEW YORK MELLON,**  
**LONDON BRANCH**  
**acting** by its authorised signatory

)  
)  
)  
)



Duly authorised attorney/signatory

Name: 

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.



References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption Notes, pass-through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms. Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## **1.4 Transfers**

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in

the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## **2. STATUS, PRIORITY AND SECURITY**

### **2.1 Status**

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### **2.2 Conflict between the Classes of Notes**

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders,

the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### 2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or Premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)), and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

### 4.2 Interest on Floating Rate Notes

#### (a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

#### (b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

Screen Rate Determination for Floating Rate Notes

**SONIA**

**Compounded Daily SONIA (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SONIA<sub>i-pLBD</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SONIA<sub>i</sub>;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);



**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day or LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**$n_i$** , for any London Business Day  $i$ , means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling  $p$  London Business Days prior to such day.

### **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the

applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p

London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

## **SOFR**

### **Compounded Daily SOFR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the

following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or

- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**$n_i$** , for any U.S. Government Securities Business Day **i**, means the number of calendar days from (and including) such U.S. Government Securities Business Day up to (but excluding) the following U.S. Government Securities Business Day;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling **p** U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling **p** U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) as provided by the SOFR Administrator and published, displayed or made available on the Designated Source on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and

- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
- (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

#### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition

Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which  $\text{SOFR Index}_{\text{Start}}$  is determined to (but excluding) the day in relation to which  $\text{SOFR Index}_{\text{End}}$  is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time;
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to the penultimate paragraph of Compounded Daily SOFR (Index Determination); or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for

the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day or USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published, displayed or made available on the Designated Source and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published, displayed or made available on the Designated Source and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## **€STR**

### **Compounded Daily €STR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily €STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$



where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method,  $\text{€STR}_{i-p\text{TBDx}}$ ; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method,  $\text{€STR}_i$ ; and

**d<sub>o</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day i the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day i falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling p TARGET Business Days prior to the relevant TARGET Business Day i;

**€STR Administrator** means the European Central Bank or any successor administrator of €STR;

**€STR Administrator's Website** means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;

**€STR reference rate** in respect of any TARGET Business Day ("TBDx"), means a reference rate equal to the daily Euro Short-Term Rate ("€STR") rate for such TBDx provided by the €STR Administrator and published, displayed or made available on the Designated Source on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**i** means a series of whole numbers from 1 to do, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**n<sub>i</sub>**, for any day TARGET Business Day i, means the number of calendar days from (and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

**p** means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

### **Compounded Daily €STR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to

which €STR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR Index** means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

***p*** means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator or such other authorised distributor or information service provider, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to *p* TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published on the Designated Source, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

#### **Other Reference Rates**

Where **Screen Rate Determination** is specified as "Applicable" for a Floating Rate Note and the Reference Rate is specified as being EURIBOR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the published rate for EURIBOR which appears on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus the Margin (if any) as determined by the Agent Bank.

If the Relevant Screen Page is not available or no published rate for EURIBOR appears, unless both an Index Cessation Event and an Index Cessation Event Effective Date have occurred, the Rate of Interest will be determined by the Agent Bank using the published rate for EURIBOR which appeared on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms)

on the last preceding Business Day prior to the Interest Determination Date for which the Relevant Screen Page was available or in respect of which such published rate was available, plus or minus the Margin (if any).

If the Relevant Screen Page is not available or no published rate for EURIBOR appears at the Specified Time, and both an Index Cessation Event and an Index Cessation Effective Date have occurred, the Rate of Interest shall be determined by the Agent Bank as if references in these Conditions to "EURIBOR" were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR by the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for such rate (and each such replacement rate having been notified in writing by the Issuer to the Agent Bank), provided that, if no such rate has been recommended before the end of the first Interest Determination Date following the date on which the relevant Index Cessation Event occurred, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined as the Rate of Interest as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition:

**Index Cessation Effective Date** means the first date on which EURIBOR is no longer provided by the administrator of EURIBOR; and

**Index Cessation Event** means the occurrence of one or more of the following events in respect of EURIBOR:

(A) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR; or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) 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, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant

Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

#### **4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

#### **4.6 Business Day, Business Day Convention, Day Count Fractions and other adjustments**

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem (or any successor system) ("**T2**") is open for settlement of payments in euro.

If a **Business Day Convention** is specified for a Fixed Rate Note or a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2(b) (*Screen Rate Determination for Floating Rate Notes*), the **"Floating Rate Convention"**, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the **"Following Business Day Convention"**, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (iii) the **"Modified Following Business Day Convention"**, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the **"Preceding Business Day Convention"**, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day; or
- (v) the **"Modified Preceding Business Day Convention"**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Fixed Rate Note or a Floating Rate Note in accordance with this **Condition 4**, for any Interest Period:

- (a) if **"Actual/Actual (ICMA)"** is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and



- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (g) if "**30E/360**" or "**Eurobond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (h) such other Day Count Fraction as may be specified in the applicable Final Terms Document.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

If "**adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If "**not adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

## 5. REDEMPTION AND MANDATORY TRANSFER

## 5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

## 5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

## 5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

## 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30

days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such

Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **5.6 Optional Redemption in Part**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be

paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified: in respect of each Note, the Principal Amount Outstanding of such Note.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account (or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS

## **6.1 Payment of Interest and Principal**

Payments of principal shall be made 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 transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

## **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

## **6.3 Payment of Interest Following a Failure to Pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

## **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

## **6.5 No Payment on Non-Business Day**

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 (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## 7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## 8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or



- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

### 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

### 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which

for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## **9.6 Class Z Noteholders**

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## **9.7 Following Service of a Note Acceleration Notice**

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest.

## **10. ENFORCEMENT OF NOTES**

### **10.1 Enforcement**

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed

(including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## **10.2 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any))

and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a

meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each

case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially



prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

### 11.5 Modifications and Determinations by Note Trustee

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
  - (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 21 June 2024 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
  - (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:

- (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
  - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
  - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
  - (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is either:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - (B) a base rate that has replaced the Applicable Base Rate or any other relevant interest rate benchmark in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) denominated in the Specified Currency in respect of Notes, bonds or securities and with an interest period of a comparable duration to the relevant Interest Periods or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in

a good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Applicable Base Rate or any other relevant interest rate benchmark;

- (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
- (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 21 June 2024 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

**(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 21 June 2024 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 21 June 2024:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked

U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.

- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).
- IV. The following definitions shall apply to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”:

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
  - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
  - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights



or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*” are satisfied.

(d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such

modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the Notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

#### **14.3 Global Notes**

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

#### **14.4 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

### **15. NOTES ISSUES**

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

### **16. RATING AGENCIES**

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## **17. GOVERNING LAW AND JURISDICTION**

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **19. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**€STR** means the Euro Short-Term Rate;

**€STR Administrator** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**€STR Index** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.6** and, if (i) the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Designated Source** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes), in each case in respect of SONIA, SOFR or €STR, as applicable;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars** or **\$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Notes** means the Series 2019-1 Class A Notes;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;



**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated 29 July 2020 and made between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the Funding 1 Swaps;

**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 Swaps** means any swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Index Cessation Effective Date** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Index Cessation Event** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of Notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any Notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes where the Reference Rate is EURIBOR, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 02294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding 1 Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate;

**SOFR Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro;



**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A. acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

# **SUPPLEMENTAL NOTE TRUST DEED**

18 October **2024**

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**relating to a  
Residential Mortgage Backed Note Programme**

## CONTENTS

Clause	Page
1. Interpretation and Construction.....	3
2. Amendment to the Series 2019-1 Class A Notes .....	4
3. Supplemental .....	4
4. Counterparts .....	4
5. Rights of Third Parties.....	4
6. Governing Law.....	4
7. Submission to Jurisdiction.....	4

### Schedule

1. Terms and Conditions of the Notes .....	7
--	---

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 18 October 2024

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 05925693) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022, 16 June 2023 and 21 June 2024 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee (acting on the direction of the sole Noteholder of the 2019-1 Class A Notes) have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020, 29 July 2021, 28 June 2022, 16 June 2023, 14 May 2024, 21 June 2024 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022, 16 June 2023, 21 June 2024 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## **2. AMENDMENT TO THE SERIES 2019-1 CLASS A NOTES**

### **2.1 Conditions**

The Master Issuer and the Note Trustee acting on the direction of the sole Noteholder of the 2019-1 Class A Notes agree that, with effect on and from the date hereof, the Terms and Conditions of such 2019-1 Class A Notes shall be amended to the Terms and Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

### **2.2 Final Terms**

The Master Issuer and the Note Trustee acting on the direction of the sole Noteholder of the 2019-1 Class A Notes agree that, with effect on and from the date hereof, the Final Terms of such 2019-1 Class A Notes shall be amended and restated as set out in Schedule 2 (*Amended and Restated Final Terms*) hereto.

## **3. SUPPLEMENTAL**

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

## **4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

## **5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of

or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (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 3.

**The Issuer**

**EXECUTED and DELIVERED as a DEED by  
FOSSE MASTER ISSUER PLC**

)

)

Per pro Intertrust Directors 1 Limited as Director

)

Per pro Intertrust Directors 2 Limited as Director

)

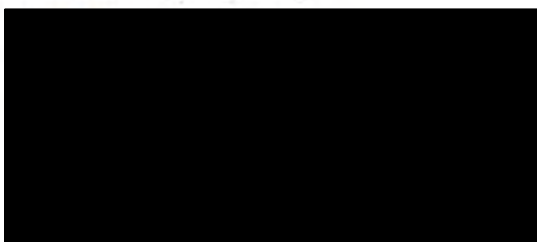
**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by**  
**THE BANK OF NEW YORK MELLON,**  
**LONDON BRANCH**  
**acting** by its authorised signatory

)  
)  
)  
)

Duly authorised attorney/signatory

Name:



## **SCHEDULE 1**

### **TERMS AND CONDITIONS OF THE NOTES**



## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption Notes, pass-through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## 1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## 1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## 1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee

in the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## **2. STATUS, PRIORITY AND SECURITY**

### **2.1 Status**

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

## 2.2 Conflict between the Classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation

on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

## 2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or Premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### 3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)), and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

### 4.2 Interest on Floating Rate Notes

#### (a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

#### (b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

Screen Rate Determination for Floating Rate Notes



## SONIA

### Compounded Daily SONIA (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SONIA<sub>i-pLBD</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SONIA<sub>i</sub>;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other

information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day or LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**$n_i$** , for any London Business Day  $i$ , means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling  $p$  London Business Days prior to such day.

### **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA Index_{End}}{SONIA Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the

applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

## **SOFR**

### **Compounded Daily SOFR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**$n_i$** , for any U.S. Government Securities Business Day  $i$ , means the number of calendar days from (and including) such U.S. Government Securities Business Day up to (but excluding) the following U.S. Government Securities Business Day;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) as provided by the

SOFR Administrator and published, displayed or made available on the Designated Source on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and

- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

#### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which SOFR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SOFR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time;
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to



the penultimate paragraph of Compounded Daily SOFR (Index Determination); or

- (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day or USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published, displayed or made available on the Designated Source and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published, displayed or made available on the Designated Source and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## **€STR**

### **Compounded Daily €STR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank

(or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily } \text{€STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, €STR<sub>i-pTBDx</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, €STR<sub>i</sub>; and

**d<sub>o</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day i the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day *i* falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling *p* TARGET Business Days prior to the relevant TARGET Business Day *i*;

**€STR Administrator** means the European Central Bank or any successor administrator of €STR;

**€STR Administrator's Website** means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;

**€STR reference rate** in respect of any TARGET Business Day ("**TBDx**"), means a reference rate equal to the daily Euro Short-Term Rate ("**€STR**") rate for such TBDx provided by the €STR Administrator and published, displayed or made available on the Designated Source on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling *p* TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling *p* TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling *p* TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**i** means a series of whole numbers from 1 to *d*<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**n<sub>i</sub>**, for any day TARGET Business Day *i*, means the number of calendar days from (and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

**p** means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

### **Compounded Daily €STR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the

Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which  $\text{€STR Index}_{Start}$  is determined to (but excluding) the day in relation to which  $\text{€STR Index}_{End}$  is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR Index** means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is p TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is p TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**p** means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator or such other authorised distributor or information service provider, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published on the Designated Source, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of

Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

### **Other Reference Rates**

Where **Screen Rate Determination** is specified as "Applicable" for a Floating Rate Note and the Reference Rate is specified as being EURIBOR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the published rate for EURIBOR which appears on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus the Margin (if any) as determined by the Agent Bank.

If the Relevant Screen Page is not available or no published rate for EURIBOR appears, unless both an Index Cessation Event and an Index Cessation Event Effective Date have occurred, the Rate of Interest will be determined by the Agent Bank using the published rate for EURIBOR which appeared on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the last preceding Business Day prior to the Interest Determination Date for which the Relevant Screen Page was available or in respect of which such published rate was available, plus or minus the Margin (if any).

If the Relevant Screen Page is not available or no published rate for EURIBOR appears at the Specified Time, and both an Index Cessation Event and an Index Cessation Effective Date have occurred, the Rate of Interest shall be determined by the Agent Bank as if references in these Conditions to "EURIBOR" were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR by the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for such rate (and each such replacement rate having been notified in writing by the Issuer to the Agent Bank), provided that, if no such rate has been recommended before the end of the first Interest Determination Date following the date on which the relevant Index Cessation Event occurred, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined as the Rate of Interest as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition:

**Index Cessation Effective Date** means the first date on which EURIBOR is no longer provided by the administrator of EURIBOR; and

**Index Cessation Event** means the occurrence of one or more of the following events in respect of EURIBOR:

(A) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR; or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amounts**

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) 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, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### 4.3 Accrual of Interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

#### 4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

#### 4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately



prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

#### **4.6 Business Day, Business Day Convention, Day Count Fractions and other adjustments**

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem (or any successor system) ("**T2**") is open for settlement of payments in euro.

If a **Business Day Convention** is specified for a Fixed Rate Note or a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2(b) (*Screen Rate Determination for Floating Rate Notes*), the "**Floating Rate Convention**", such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the "**Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (iii) the "**Modified Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the "**Preceding Business Day Convention**", the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day; or
- (v) the "**Modified Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Fixed Rate Note or a Floating Rate Note in accordance with this **Condition 4**, for any Interest Period:

- (a) if "**Actual/Actual (ICMA)**" is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (g) if "**30E/360**" or "**Eurobond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of

February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

- (h) such other Day Count Fraction as may be specified in the applicable Final Terms Document.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

If "**adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If "**not adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

## **5. REDEMPTION AND MANDATORY TRANSFER**

### **5.1 Final Redemption**

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

### **5.2 Mandatory Redemption of the Notes in Part**

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

### **5.3 Note Principal Payments and Principal Amount Outstanding**

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a

proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

#### 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it

will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.6 Optional Redemption in Part

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified: in respect of each Note, the Principal Amount Outstanding of such Note.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account (or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS

### 6.1 Payment of Interest and Principal

Payments of principal shall be made 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 transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

### 6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

### 6.3 Payment of Interest Following a Failure to Pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

### 6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the

Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

#### **6.5 No Payment on Non-Business Day**

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 (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

#### **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

#### **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

#### **6.8 Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

### **7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

### **8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make



such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## **9. EVENTS OF DEFAULT**

### **9.1 Class A Noteholders**

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being

appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

## 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any

Series when and as the same ought to be paid in accordance with these Conditions;  
or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

#### 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions;  
or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

#### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions;  
or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

#### 9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## 9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest.

## 10. ENFORCEMENT OF NOTES

### 10.1 Enforcement

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## **10.2 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

**(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

**(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount

Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## 11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.



A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

### 11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

#### **11.5 Modifications and Determinations by Note Trustee**

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
- (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 13 September 2019 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
- (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:
    - (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
    - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
    - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;

- (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is either:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - (B) a base rate that has replaced the Applicable Base Rate or any other relevant interest rate benchmark in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) denominated in the Specified Currency in respect of Notes, bonds or securities and with an interest period of a comparable duration to the relevant Interest Periods or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in a good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Applicable Base Rate or any other relevant interest rate benchmark;
- (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and

- (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 5 March 2018 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights

or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

### **(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 21 June 2024 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 21 June 2024:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”, including any determination with

respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).

IV. The following definitions shall apply to this section titled "*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*":

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with

respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement



or publication, there is no successor administrator that will continue to provide the Benchmark; or

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
  - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
  - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.
- VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" are satisfied.

(d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The above provisions relating to a ratings modification event (together with consequential modifications to the Terms And Conditions of a Series and Class of Notes and/or the Transaction Documents) do not apply in respect of (i) the Existing Notes and (ii) any Notes issued on or after the date of the base prospectus which will be consolidated with and form a single Series with any Existing Notes.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

## **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding

1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the Notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

#### **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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

### 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

### 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

## 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **19. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**2023 Base Prospectus** means the base prospectus dated on 16 June 2023;

**€STR** means the Euro Short-Term Rate;

**€STR Administrator** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**€STR Index** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.6** and, if (i) the relevant Final Terms specify that the Reference Rate is “Compounded Daily SOFR” and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;



**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Designated Source** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes), in each case in respect of SONIA, SOFR or €STR, as applicable;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Notes** means each Series and Class of Notes issued prior to the date of the 2023 Base Prospectus and any Series and Class of Notes issued on or after the date of the 2023 Base

Prospectus which is consolidated with and forms a single Series and Class with any Notes issued prior to such date but excluding for such purposes any Series 2019-1 Notes;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services

Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated 29 July 2020 and made between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the Funding 1 Swaps;

**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 Swaps** means any swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Index Cessation Effective Date** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Index Cessation Event** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of Notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, with respect to the Notes denominated in Dollars, the date two Business Days prior to each Interest Payment Date, with respect to the Notes denominated in Euros, the date two Target Business Days prior to each Interest Payment Date, with respect to Notes denominated in Sterling, Japanese yen and Canadian dollars, each Interest Payment Date;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, Intertrust Management Limited, the Mortgages Trustee and the

Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any Notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;



**Relevant Screen Page** means, in respect of any Series and Class of Notes where the Reference Rate is EURIBOR, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 02294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding 1 Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate;

**SOFR Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A. acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

**SCHEDULE 2**  
**AMENDED AND RESTATED FINAL TERMS**

## AMENDED AND RESTATED FINAL TERMS

THESE AMENDED AND RESTATED FINAL TERMS HAVE BEEN CREATED SOLELY AS A MATTER OF RECORD TO EVIDENCE THE CURRENT FINAL TERMS OF THE NOTES AS AMENDED WITH EFFECT FROM \_\_OCTOBER 2024 BY A SUPPLEMENTAL NOTE TRUST DEED DATED \_\_OCTOBER 2024 (THE "SUPPLEMENTAL NOTE TRUST DEED") TO AMEND THE FINAL MATURITY DATE, THE STEP-UP DATE AND THE FINAL REDEMPTION DATE. NO OFFER OF ANY OF THE NOTES IS BEING MADE BY THE ISSUER (AS DEFINED BELOW) PURSUANT TO THIS DOCUMENT OR OTHERWISE AND THE ISSUER DOES NOT ACCEPT ANY ADDITIONAL OBLIGATIONS TO NOTEHOLDERS IN RELATION TO THIS DOCUMENT.

### IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.**

**IMPORTANT: You must read the following before continuing.** The following applies to the final terms following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the final terms. In accessing the final terms, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF FOSSE MASTER ISSUER PLC. THE FOLLOWING FINAL TERMS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**) AND THE NOTES MAY NOT BE OFFERED OR SOLD EXCEPT AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (II) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO, AND IN COMPLIANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND APPLICABLE SECURITIES REGULATIONS IN EACH JURISDICTION IN WHICH THE NOTES ARE OFFERED.

These final terms have been delivered to you on the basis that you are a person into whose possession these final terms may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing these final terms, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the base prospectus by electronic transmission, (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, or its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or (ii) a QIB and (d) if you are a person in the United Kingdom, then you are a person who (i) is an investment professional within the meaning of article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO (together, **relevant persons**). In the UK, this base prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these final terms relates is available only to relevant persons and will be engaged in only with relevant persons.

These final terms have been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Fosse Master Issuer plc, Banco Santander, S.A. or Santander UK plc together with its affiliated and associated companies (**Santander UK**) nor any person who controls it, nor any director, officer, employee or agent of Fosse Master Issuer plc, Banco Santander, S.A. or Santander UK nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the base prospectus distributed to you in electronic format and the hard copy version available to you on request from Santander UK.

**Final Terms dated 14 October 2019, as amended and restated on 18 October 2024**

(relating to the base prospectus dated 13 September 2019)

**Legal entity identifier (LEI): QJPKR9G6NB84N1WHW372**

**FOSSE MASTER ISSUER PLC**

*(incorporated with limited liability in England and Wales with registered number 5925693)*

**Residential Mortgage Backed Note Programme**

**Issue of 2019-1 Notes**

Series	Class	Interest rate	Initial principal amount	Issue price	Scheduled or bullet redemption dates (if applicable)	Step-up date (if applicable)	Final maturity date
2019-1	A1	SONIA + 0.73%	£750,000,000	100%	October 2024	October 2024	October 2054
2019-1	A2	SONIA + 0.88%	£500,000,000	100%	October 2029	October 2029	October 2072
2019-1	Z	SONIA + 0.90%	£215,460,000	100%	Not Applicable	Not Applicable	October 2054

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the base prospectus dated 13 September 2019, which constitutes a base prospectus (the **base prospectus**) for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). This document constitutes the final terms (the **final terms**) of the notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the base prospectus in order to obtain all the relevant information. The base prospectus and these final terms are available for viewing at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX and physical copies may be obtained from the registered office of the issuer at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX. A copy may also be obtained from the website of the London Stock Exchange at <http://www.londonstockexchange.com>.

**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the issue 2019-1 notes has led to the conclusion that: (i) the target market for the issue 2019-1 notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the issue 2019-1 notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the issue 2019-1 notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the issue 2019-1 notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Prohibition of sales to EEA retail investors** – The issue 2019-1 notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the issue 2019-1 notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the issue 2019-1 notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The issue 2019-1 notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and the issue 2019-1 notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions that occur outside the United States to persons other than U.S. persons in accordance with Regulation S or in other transactions exempt from registration under the Securities Act and, in each case, in compliance with applicable securities laws.

**ARRANGER FOR THE ISSUE**

**SANTANDER CORPORATE AND INVESTMENT BANKING**

**dated 14 October 2019, as amended and restated on 18 October 2024**

		Class A1 Notes	Class A2 Notes	Class Z Notes
1.	Class:	Class A1	Class A2	Class Z
2.	Series Number:	2019-1	2019-1	2019-1
3.	Issuer:	Fosse Master Issuer plc	Fosse Master Issuer plc	Fosse Master Issuer plc
4.	Specified Currency or Currencies:	GBP	GBP	GBP
5.	Initial Principal Amount:	£750,000,000	£500,000,000	£215,460,000
6.	(a) Issue Price:	100% of the Initial Principal Amount	100% of the Initial Principal Amount	100% of the Initial Principal Amount
	(b) Net proceeds:	£750,000,000	£500,000,000	£215,460,000
7.	Required Subordinated Percentage:	9.25%	9.25%	Not Applicable
8.	(a) General Reserve Required Amount:		£100,000,000	
	(b) Arrears or Step-up Trigger Event:			
	• item (i) of General Reserve Fund increased amount:		£25,000,000	
	• item (ii) of General Reserve Fund increased amount:		£25,000,000	
	• items (i) and (ii) of General Reserve Fund increased amount:		£50,000,000	
9.	Interest-only mortgage level test:		"C" for these purposes is 65%	
10.	Ratings (Fitch/Moody's/Standard & Poor's, as applicable):	AAAsf/Aaa(sf)/AAA(sf)	AAAsf/Aaa(sf)/AAA(sf)	Not Applicable



Fitch Ratings Ltd. (**Fitch**) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)

Moody's Investors Service Limited (**Moody's**) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

S&P Global Ratings Europe Limited (**S&P**) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). S&P Global Ratings Europe Limited operates under its trading name Standard & Poor's Rating Services.

11.	Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof
12.	(a) Closing Date/Issue Date:	15 October 2019	15 October 2019	15 October 2019
	(b) Interest Commencement Date:	15 October 2019	15 October 2019	15 October 2019
13.	Final Maturity Date:	Interest Payment Date falling in or nearest to October 2054	Interest Payment Date falling in or nearest to October 2072	Interest Payment Date falling in or nearest to October 2054
14.	Interest Basis:	SONIA+ 0.73% Floating Rate	SONIA+ 0.88% Floating Rate	SONIA+ 0.90% Floating Rate
15.	Benchmark Administrator:	Bank of England  As at the Issue Date, the Bank of England does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ( <b>ESMA</b> ) pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011 (the <b>Benchmarks Regulation</b> )).  As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Bank of England is not currently required to obtain authorisation or registration (or, if located outside the European Union,	Bank of England  As at the Issue Date, the Bank of England does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ( <b>ESMA</b> ) pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011 (the <b>Benchmarks Regulation</b> )).  As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Bank of England is not currently required to obtain authorisation or registration (or, if located outside the European Union,	Bank of England  As at the Issue Date, Bank of England does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ( <b>ESMA</b> ) pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011 (the <b>Benchmarks Regulation</b> )).  As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that Bank of England is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

		recognition, endorsement or equivalence).	recognition, endorsement or equivalence).	
16.	Redemption/Payment Basis:	Scheduled Redemption	Scheduled Redemption	Pass-Through
17.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable	Not Applicable	Not Applicable
18.	(a) Listing:	London Stock Exchange's Regulated Market	London Stock Exchange's Regulated Market	London Stock Exchange's Regulated Market
	(b) Estimate of total expenses related to admission to trading:		For all notes £5,280	
19.	Method of distribution:	Non-syndicated	Non-syndicated	Non-syndicated
20.	Placement disclosure for PCS purposes only:	Not Applicable: Retained	Applicable: Retained	Applicable: Retained
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>				
21.	Fixed Rate Note Provisions:	Not Applicable	Not Applicable	Not Applicable
22.	Floating Rate Note Provisions:	Applicable	Applicable	Applicable
	(a) Specified Period(s)/Specified Interest Payment Dates:	The 18th of January, April, July and October in each year or, following the occurrence of a Pass-Through Trigger Event, the 18th of each calendar month in each year up to and including the Final Maturity Date, commencing on 18 October 2019	The 18th of January, April, July and October in each year or, following the occurrence of a Pass-Through Trigger Event, the 18th of each calendar month in each year up to and including the Final Maturity Date, commencing on 18 October 2019	The 18th of January, April, July and October in each year or, following the occurrence of a Pass-Through Trigger Event, the 18th of each calendar month in each year up to and including the Final Maturity Date, commencing on 18 October 2019
	(b) Business Day Convention:	Modified Following Business Day Convention	Modified Following Business Day Convention	Modified Following Business Day Convention
	(c) Additional Business Centre(s):	London, New York and TARGET	London, New York and TARGET	London, New York and TARGET
	(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination	Screen Rate Determination	Screen Rate Determination

(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank):	Principal Paying Agent	Principal Paying Agent	Principal Paying Agent
(f)	Screen Rate Determination	Applicable	Applicable	Applicable
	• Reference Rate:	SONIA	SONIA	SONIA
	• Observation Method:	Not Applicable	Not Applicable	Not Applicable
	• Observation Look-back Period <i>p</i> :	Five London business days	Five London business days	Five London business days
	• Interest Determination Date(s):	Five London business days prior to the end of each Interest Period	Five London business days prior to the end of each Interest Period	Five London business days prior to the end of each Interest Period
	• Relevant Screen Page:	Bloomberg page SONIA (or any replacement thereto)	Bloomberg page SONIA (or any replacement thereto)	Bloomberg page SONIA (or any replacement thereto)
(g)	ISDA Determination:	Not Applicable	Not Applicable	Not Applicable
(h)	Margin(s):	+ 0.73% per annum	+ 0.88% per annum	+ 0.90% per annum
(i)	Minimum Rate of Interest:	0% per annum	0% per annum	0% per annum
(j)	Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable
(k)	Step-Up Date	The Interest Payment Date occurring in October 2024 on which date each of the Margin, the Minimum Rate of Interest and the Maximum Rate of Interest shall be replaced with the Step-Up Margin, the Step-Up Minimum Rate of Interest and the Step-Up Maximum Rate of Interest, respectively	The Interest Payment Date occurring in October 2029 on which date each of the Margin, the Minimum Rate of Interest and the Maximum Rate of Interest shall be replaced with the Step-Up Margin, the Step-Up Minimum Rate of Interest and the Step-Up Maximum Rate of Interest, respectively	Not Applicable
	• Step-Up Margin(s):	+1.46% per annum	+1.76% per annum	Not Applicable
	• Step-Up Minimum Rate of Interest:	0% per annum	0% per annum	Not Applicable

	•	Step-Up Maximum Rate of Interest:	Not Applicable	Not Applicable	Not Applicable
	(l)	Day Count Fraction:	Actual/365	Actual/365	Actual/365
23.		Zero Coupon Note Provisions	Not Applicable	Not Applicable	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>					
24.		Details relating to Bullet Redemption Notes:	Not Applicable	Not Applicable	Not Applicable
25.		Details relating to Scheduled Redemption Notes:	Applicable	Applicable	Applicable
	(a)	Scheduled Redemption Dates:	Interest Payment Date occurring in July 2024 and October 2024	Interest Payment Date occurring in October 2029	Not Applicable
	(b)	Scheduled Amortisation Instalments:	July 2024: £75,000,000 October 2024: £675,000,000	October 2029: £500,000,000	Not Applicable
26.		Details relating to Pass-Through Notes:	Not Applicable	Not Applicable	Applicable
					The Series 2019-1 Class Z Notes will become due and payable in an amount up to £99,975,000 on and following the Interest Payment Date falling in October 2024 and due and payable in full on and following the Interest Payment Date in October 2026
	(a)	Pass-through repayment dates:	Not Applicable	Not Applicable	Applicable
27.	(a)	Redemption Amount:	Condition 5.7 (Redemption Amounts) applicable	Condition 5.7 (Redemption Amounts) applicable	Condition 5.7 (Redemption Amounts) applicable
	(b)	Optional Redemption:	Not Applicable	Not Applicable	Condition 5.4(c) (Optional Redemption in Full)
	(c)	Optional Redemption Date:	Not Applicable	Not Applicable	Any Interest Payment Date
	(d)	Optional Partial Redemption Date(s) and Instalment Amount(s):	Not Applicable	Not Applicable	Not Applicable

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

28.	(a) New Safekeeping Structure:	Applicable	Applicable	Applicable
	(b) Form of Notes:	Reg S Global Note registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg	Reg S Global Note registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg	Reg S Global Note registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg
29.	Issuer Swap Providers:	Not Applicable	Not Applicable	Not Applicable
30.	2a-7 Swap Provider Arrangements:			
	Do the Notes have the benefit of 2a-7 swap provider arrangements:	Not Applicable	Not Applicable	Not Applicable
	Name of 2a-7 swap provider:	Not Applicable	Not Applicable	Not Applicable
31.	Specified currency exchange rate:	Not Applicable	Not Applicable	Not Applicable
32.	Redenomination applicable:	Redenomination not applicable	Redenomination not applicable	Redenomination not applicable
33.	ERISA eligibility:	No	No	No
34.	U.S. Taxation:	Not Applicable	Not Applicable	Not Applicable
35.	U.S. Credit Risk Retention:	Not Applicable	Not Applicable	Not Applicable
36.	Money Market Notes (2a-7):	No	No	No
37.	Do the Notes have the benefit of remarketing arrangements:	No	No	No

## OPERATIONAL INFORMATION

38.	Any clearing system(s) other than DTC, Euroclear, or Clearstream, Luxembourg and the relevant identification numbers:	Not Applicable	Not Applicable	Not Applicable
39.	Delivery:	Delivery free of payment	Delivery free of payment	Delivery free of payment
40.	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable	Not Applicable	Not Applicable
41.	ISIN Code:	Reg S: XS2065728920	Reg S: XS2065729654	Reg S: XS2065730074
42.	Common Code:	Reg S: 206572892	Reg S: 206572965	Reg S: 206573007

43.	CFI Code:	DGVXFR	DGVXFR	DGVXFR
44.	FISN:	FOSSE MASTER IS/VARMBS 20541000	FOSSE MASTER IS/VARMBS 20541000	FOSSE MASTER IS/VARMBS 20541000
45.	CUSIP:	Not Applicable	Not Applicable	Not Applicable
46.	Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation “yes” means that the Global Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper, and registered in the name of a nominee of one of the international central securities depositaries acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.		

#### LOAN TRANCHE INFORMATION

47.	Borrower:	Fosse Funding (No.1) Limited	Fosse Funding (No.1) Limited	Fosse Funding (No.1) Limited
48.	Lender:	Fosse Master Issuer plc	Fosse Master Issuer plc	Fosse Master Issuer plc
49.	Tier of Loan Tranche:	AAA Loan Tranche	AAA Loan Tranche	NR Loan Tranche
50.	Series Number:	Series 2019-1	Series 2019-1	Series 2019-1
51.	Designation of Loan Tranche:	Scheduled Amortisation Loan Tranche	Scheduled Amortisation Loan Tranche	Pass-Through Loan Tranche
52.	Change of Redemption/Payment Basis:	Not Applicable	Not Applicable	Not Applicable
53.	Initial Principal Amount:	£750,000,000	£500,000,000	£215,460,000
	(a) Closing Date:	15 October 2019	15 October 2019	15 October 2019
	(b) Loan Tranche Interest Commencement Date:	15 October 2019	15 October 2019	15 October 2019
	(c) Loan Tranche Interest Reset Dates:	The Funding 1 Interest Payment Date occurring quarterly commencing with the Funding 1 Interest Payment Date occurring in October 2019 provided no Pass-Through Trigger Event has occurred and thereafter each Funding 1 Interest Payment Date	The Funding 1 Interest Payment Date occurring quarterly commencing with the Funding 1 Interest Payment Date occurring in October 2019 provided no Pass-Through Trigger Event has occurred and thereafter each Funding 1 Interest Payment Date	The Funding 1 Interest Payment Date occurring quarterly commencing with the Funding 1 Interest Payment Date occurring in October 2019 provided no Pass-Through Trigger Event has occurred and thereafter each Funding 1 Interest Payment Date
54.	Funding 1 Interest Payment Dates:	The 18th of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following	The 18th of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following	The 18th of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following

		the occurrence of a PassThrough Trigger Event, the 18th of each month in each year up to and including the Final Maturity Date, commencing on 18 October 2019	the occurrence of a PassThrough Trigger Event, the 18th of each month in each year up to and including the Final Maturity Date, commencing on 18 October 2019	the occurrence of a Pass-Through Trigger Event, the 18th of each month in each year up to and including the Final Maturity Date, commencing on 18 October 2019
55.	Initial Loan Tranche Margin per annum:	+0.73%	+0.88%	+0.90%
56.	Step-Up Date (if any):	The Funding 1 Interest Payment Date occurring in October 2024 on which date the initial interest rate per annum shall be replaced with the stepped-up interest rate per annum	The Funding 1 Interest Payment Date occurring in October 2029 on which date the initial interest rate per annum shall be replaced with the stepped-up interest rate per annum	Not Applicable
57.	Stepped-up interest rate per annum:	+1.46%	+1.76%	Not Applicable
58.	Details relating to Bullet Loan Tranches:	Not Applicable	Not Applicable	Not Applicable
59.	Details relating to Scheduled Amortisation Loan Tranches:	Applicable	Applicable	Not Applicable
	(a) Scheduled Repayment Dates:	July 2024 October 2024	October 2029	Not Applicable
	(b) Repayment Amounts:	July 2024: £75,000,000  October 2024: £675,000,000	October 2029: £500,000,000	Not Applicable
	(c) Relevant Accumulation Amounts:	Not Applicable	Not Applicable	Not Applicable
60.	Details relating to Pass-Through Loan Tranches:	Not Applicable	Not Applicable	Applicable  The NR Loan Tranche relating to the Series 2019-1 Class Z Notes will become due and payable in an amount up to £99,975,000 on and following the Loan Tranche Payment Date falling in October 2024 and due and payable in full on and following the Interest Payment Date in October 2026

61.	Final Repayment Date:	The Funding 1 Interest Payment Date falling in October 2054	The Funding 1 Interest Payment Date falling in October 2072	The Funding 1 Interest Payment Date falling in October 2054
62.	Loan tranche payment dates:	Each Funding 1 Interest Payment Date	Each Funding 1 Interest Payment Date	Each Funding 1 Interest Payment Date

**PROVISIONS RELATING TO NON-LSE LISTED NOTES (INCLUDING FOREIGN LAW NOTES) ONLY**

Governing law:	Not Applicable	Not Applicable	Not Applicable
Form of notes:	Not Applicable	Not Applicable	Not Applicable
Clearing of notes:	Not Applicable	Not Applicable	Not Applicable
Paying agent:	Not Applicable	Not Applicable	Not Applicable
Other terms and conditions:	Not Applicable	Not Applicable	Not Applicable



**Other series issued**

As of the closing date of the issue 2019-1 notes (the **closing date**), the aggregate principal amount outstanding of notes issued by the issuer (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the issue 2019-1 notes described herein, will be as set out in "**Notes**" below.

**Other loan tranches**

As of the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuer to Funding 1 under the master intercompany loan agreement, including the loan tranches described herein, will be as set out in "**Notes**" below.

**Mortgages trust and the portfolio**

As at the closing date the minimum seller share will be approximately £204,097,372.11.

### **Mortgage sale agreement**

The **Fitch conditions** for the purposes of the mortgage sale agreement are:

- original weighted average LTV margin: 3%.
- current weighted average LTV margin: 2%.
- current weighted average income multiple threshold: 0.50%.
- original LTV margin: 0.50%.

The **minimum yield** for the purposes of the mortgage sale agreement is: Compounded Daily SONIA (calculated in accordance with clause 7.2(e) of the Master Intercompany Loan Agreement) plus 0.75 per cent.

The definition of 'Y' within the definition of **rating agency excess spread** is: Compounded Daily SONIA (calculated in accordance with clause 7.2(e) of the Master Intercompany Loan Agreement) plus 1.00 per cent.

## Funding 1 swaps

### Total Interim exchange amounts

The **total interim exchange amount** payable in respect of (all of) the Funding 1 swaps on the closing date is £0. Funding 1 shall pay the total interim exchange amount to the Funding 1 swap provider on the closing date (such payment funded via the 2019-1 start-up loan), and the Funding 1 swap provider shall pay an amount equal to such total interim exchange amount back to Funding 1 on the immediately following Funding 1 swap interest payment date.

The interim exchange amount applicable to each Funding 1 swap shall be the proportion of the total interim exchange amount applicable to that Funding 1 swap, as calculated in accordance with the relevant Funding 1 swap agreement.

The purpose of these arrangements is to fund the mismatch in days between the closing date and the first Funding 1 swap interest payment date on the one hand and the closing date and the first distribution date on the other hand.

### Spread (receive-leg) under the Funding 1 swaps

The terms of the Funding 1 swaps allow Funding 1 and the Funding 1 swap provider(s) to adjust from time to time the spread over LIBOR which the relevant Funding 1 swap provider pays to Funding 1 in order to reflect movements in market interest rates and interest rates being charged on the loans subject to the relevant Funding 1 swaps. The relevant spreads under the Funding 1 swaps as at the closing date are:

LIBOR Funding 1 swap (SVR) 1 .....	3.25%
LIBOR Funding 1 swap (SVR) 2 .....	3.25%
LIBOR Funding 1 swap (SVR) 3 .....	3.25%
LIBOR Funding 1 swap (SVR) 4 .....	3.25%
LIBOR Funding 1 swap (SVR) 5 .....	3.25%
LIBOR Funding 1 swap (BBR) 1 .....	1.25%
LIBOR Funding 1 swap (BBR) 2 .....	1.25%
LIBOR Funding 1 swap (BBR) 3 .....	1.25%
LIBOR Funding 1 swap (BBR) 4 .....	1.25%
LIBOR Funding 1 swap (BBR) 5 .....	1.25%
LIBOR Funding 1 swap (Fixed) 1 .....	1.15%
LIBOR Funding 1 swap (Fixed) 2 .....	1.15%
LIBOR Funding 1 swap (Fixed) 3 .....	1.15%
LIBOR Funding 1 swap (Fixed) 4 .....	1.15%
LIBOR Funding 1 swap (Fixed) 5 .....	1.15%
SONIA Funding 1 swap (SVR) 1 .....	3.50%
SONIA Funding 1 swap (BBR) 1 .....	1.75%
SONIA Funding 1 swap (Fixed) 1 .....	1.25%
SONIA Funding 1 swap (Fixed) 2 .....	1.25%
SONIA Funding 1 swap (Fixed) 3 .....	1.25%
SONIA Funding 1 swap (Fixed) 4 .....	1.25%
SONIA Funding 1 swap (Fixed) 5 .....	1.25%
SONIA Funding 1 swap (Fixed) 6 .....	1.25%

### Post-perfection SVR-LIBOR margin

The **post-perfection SVR-LIBOR margin** for the purposes of the servicing agreement is: 2.95%

## Use of proceeds

The gross proceeds from the issue of the series 2019-1 notes equal approximately £1,465,460,000.00 and will be used by the issuer to make available loan tranches to Funding 1 pursuant to the terms of the intercompany loan agreement. Funding 1 will use the gross proceeds of each loan tranche to make a further contribution to the mortgages trustee.

## Maturity and prepayment considerations

The average lives of any class of the series 2019-1 notes cannot be stated, as the actual rate of repayment of the loans and redemption of the mortgages and a number of other relevant factors are unknown. However, calculations of the possible average lives of each class of the series 2019-1 notes can be made based on certain assumptions. The assumptions used to calculate the possible average lives of each class of the issue 2019-1 notes in the following table include the following:

- (1) neither the issuer security nor the Funding 1 security has been enforced;
- (2) each class of series 2019-1 notes is repaid in full by its final maturity date;
- (3) the seller is not in breach of the terms of the mortgage sale agreement;
- (4) the seller does not sell any loans to the mortgages trustee after the closing date (except to the extent set out in assumption (5) below) and the loans are assumed to amortise in accordance with the assumed principal prepayment rate as indicated in the table below;
- (5) the seller assigns to the mortgages trustee sufficient new loans and their related security, such that the aggregate principal amount outstanding of the loans in the portfolio will not fall below an amount equal to 1.2 times the Funding 1 share, or such higher amount as may be required to be maintained as a result of the issuer advancing loan tranches to Funding 1 and/or any new issuer advancing new loan tranches to Funding 1 or any further Funding company (as the case may be) which Funding 1 and/or any further Funding company (as the case may be) uses as consideration for an increase in its share of the trust property or for the sale of new loans to the mortgages trustee;
- (6) new loans sold to the mortgages trustee will have the same scheduled principal repayment profile as the portfolio of 13 September 2019;
- (7) neither an asset trigger event nor a non-asset trigger event occurs;
- (8) no event occurs that would cause payments on any class of series 2019-1 notes to be deferred;
- (9) the principal prepayment rate as at the cut-off date for the provisional portfolio is the same as the various assumed rates in the table below;
- (10) the issuer exercises its option to redeem each series of notes on the step-up date relating to such notes;
- (11) the closing date is 15 October 2019;
- (12) the mortgage loans are not subject to any defaults or losses, and no mortgage loan falls into arrears;
- (13) no interest or fees are paid from principal receipts;
- (14) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the seller continue to be rated at least "A2" by Moody's and "A" by Standard & Poor's and the long-term "Issuer default rating" of the seller continues to be at least "A" by Fitch; and
- (15) the principal ledger balance at close is assumed to be the cash accumulated after the distribution date on 8 October 2019, equal to £0.

**Principal prepayment rate and possible average lives of each series and class (or sub-class) of issue 2019-1 notes (in years)**

Based upon the foregoing assumptions, the approximate average life in years of each series and class (or sub-class) of issue 2019-1 notes, at various assumed rates of repayment of the loans, would be as follows:

Estimated average lives of each class of series 2019-1 notes (in years)

Principal prepayment rate (per annum)	series 2019-1 class A1 notes	series 2019-1 class A2 notes	series 2019-1 class Z notes
5 per cent. ....	4.99	7.01	6.09
10 per cent.....	4.99	7.01	6.09
15 per cent.....	4.99	7.01	6.09
20 per cent.....	4.99	7.01	6.09
25 per cent.....	4.99	7.01	6.09
30 per cent.....	4.99	7.01	6.09
35 per cent.....	4.99	7.01	6.09

Assumptions (1), (3), (4), (5), (6), (7), (11), (12), (13), (14) and (15) relate to circumstances which are not predictable. Assumptions (2), (8), (9) and (10) reflect the issuer's current expectations, although no assurance can be given that the issuer will be in a position to redeem the notes on the step-up date. If the issuer does not so exercise its option to redeem, then the average lives of the then outstanding notes would be extended.

The average lives of the notes are subject to factors largely outside the control of the issuer and consequently no assurance can be given that these assumptions and estimates will prove in any way to be realistic and they must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of these estimated average lives, see **"Risk Factors – The yield to maturity of the notes may be adversely affected by prepayments or redemptions on the loans"** in the base prospectus.

## Statistical information on the expected portfolio

The statistical and other information contained in these final terms has been compiled by reference to the loans expected to comprise the portfolio (the **expected portfolio**) as at 30 June 2019 (the **cut-off date**). Columns stating percentage amounts may not add up to 100 per cent. owing to rounding.

A loan will have been removed from any new portfolio (which comprises a portion of the expected portfolio as at the cut-off date) if, in the period up to (and including) the closing date relating to such new portfolio, the loan is repaid in full or if the loan does not comply with the terms of the mortgage sale agreement on or about the applicable closing date. Once such loans are removed, the seller will then randomly select from the loans remaining in the new portfolio those loans to be sold and assigned on the applicable closing date once the determination has been made as to the anticipated principal balances of the issue 2019-1 notes to be issued and the corresponding size of the trust property that would be required ultimately to support payments on the notes of the issuer.

The loans that are selected for inclusion in the mortgages trust will have been originated on the basis of the seller's lending criteria. The material aspects of the seller's lending criteria are described under "**The loans – Underwriting**" and "**The loans – Lending criteria**" in the base prospectus. Standardised credit scoring is not used in the UK mortgage market. For an indication of the credit quality of borrowers in respect of the loans, investors may refer to such lending criteria and to the historical performance of the loans in the mortgages trust as set forth in these final terms. One significant indicator of obligor credit quality is arrears and losses. The information presented under "**Arrears experience**" in the base prospectus reflects the arrears and repossession experience for loans that were contained in the portfolio since the inception of the mortgages trust and loans transferred to the mortgages trust on the closing date. Santander UK services all the loans in the portfolio. It is not expected that the characteristics of the portfolio as at the closing date will differ materially from the characteristics of the expected portfolio as at the cut-off date. Except as otherwise indicated, these tables have been prepared using the current balance as at the cut-off date, which includes all principal and accrued interest for the loans in the expected portfolio.

The expected portfolio as at the cut-off date consisted of 26,689 mortgage accounts, comprising mortgage loans originated by Santander UK and secured over properties located in England, Wales and Scotland, and having an aggregate outstanding principal balance of approximately £4,304,378,590.69 as at that date. The loans in the expected portfolio as at the cut-off date were originated between 3 October 2002 and 29 March 2019.

Approximately 29.64 per cent. of the loans had an original loan-to-value ratio greater than 80 per cent. as at the cut-off date.

As at the closing date:

- Funding 1's share of the trust property will be approximately £1,661,065,633.00 representing approximately 41.42 per cent. of the trust property; and
- the seller's share of the trust property will be approximately £2,349,462,494.93 representing approximately 58.58 per cent. of the trust property.

The actual amounts of the Funding 1 share of the trust property and the seller share of the trust property as at the closing date will not be determined until the day before the closing date which will be after the date of these final terms.

## Outstanding balances as at the cut-off date

The following table shows the range of outstanding principal balances (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees) as at the cut-off date.

Range of outstanding principal balances (including capitalised high loan-to-value fees and/or booking fees and/or valuation fees) (£)	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Less than 0 .....	-	0.00%	-	0.00%
0 to <=50,000 .....	101,138,616.30	2.35%	3,558	13.33%
>50,000 to <=100,000 .....	449,188,299.32	10.44%	5,893	22.08%
>100,000 to <=150,000 .....	696,816,358.74	16.19%	5,615	21.04%
>150,000 to <=200,000 .....	695,655,932.38	16.16%	4,007	15.01%
>200,000 to <=250,000 .....	607,917,036.56	14.12%	2,724	10.21%
>250,000 to <=300,000 .....	491,971,197.59	11.43%	1,797	6.73%
>300,000 to <=350,000 .....	358,938,500.96	8.34%	1,112	4.17%
>350,000 to <=400,000 .....	269,508,340.01	6.26%	721	2.70%
>400,000 to <=450,000 .....	177,001,479.01	4.11%	418	1.57%
>450,000 to <=500,000 .....	149,979,276.75	3.48%	317	1.19%
>500,000 to <=550,000 .....	110,168,603.31	2.56%	211	0.79%
>550,000 to <=600,000 .....	75,575,801.97	1.76%	132	0.49%
>600,000 to <=650,000 .....	58,552,267.77	1.36%	94	0.35%
>650,000 to <=700,000 .....	39,643,286.54	0.92%	59	0.22%
>700,000 to <=750,000 .....	22,323,593.48	0.52%	31	0.12%
>750,000 .....	-	-	-	-
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

The largest mortgage account has an outstanding principal balance of approximately £746,909.22 and the smallest mortgage account has an outstanding principal balance of approximately £0.00. The average outstanding principal balance is approximately £161,279.13.

The account status is set to "redeemed" when the balance is zero and the overpaid amount has been refunded which normally happens within two to three days of that overpayment.

The aggregate outstanding principal balance of all loans to a single borrower does not exceed 2.00% of the aggregate outstanding principal balance of all loans as of the cut-off date.

## Loan-to-value ratios at origination

The following table shows the range of loan-to-value, or LTV, ratios, which express the outstanding balance of a mortgage loan as at the date of the original mortgage loan origination divided by the value of the property securing that mortgage loan at the same date.

Range of loan-to-value ratios at origination (excluding capitalised high loan-to-value fees and/or booking fees and/or valuation fees)	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25%	105,083,987.51	2.44%	1,452	5.44%
>25% – 50%	693,878,202.67	16.12%	5,047	18.91%
>50% – 75%	1,792,343,400.12	41.64%	10,688	40.05%
>75% – 80%	437,172,060.63	10.16%	2,404	9.01%
>80% – 85%	447,946,974.98	10.41%	2,457	9.21%
>85% – 90%	535,273,804.31	12.44%	3,025	11.33%
>90% – 95%	292,680,160.47	6.80%	1,616	6.05%
>95%	-	0.00%	-	0.00%
<b>Total</b>	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

The weighted average loan-to-value ratio of the mortgage accounts at origination was approximately 67.07 per cent.

#### Current LTV ratios indexed according to the Reference Index

##### Range of loan-to-value ratios at origination (excluding capitalised high loan-to-value fees and/or booking fees and/or valuation fees)

	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25% .....	154,534,442.59	3.59%	2,330	8.73%
>25% – 50% .....	948,048,205.98	22.03%	6,893	25.83%
>50% – 75% .....	1,954,115,819.72	45.40%	11,242	42.12%
>75% – 80% .....	400,872,793.59	9.31%	2,031	7.61%
>80% – 85% .....	399,312,952.80	9.28%	1,962	7.35%
>85% – 90% .....	314,045,436.80	7.30%	1,583	5.93%
>90% – 95% .....	121,491,451.65	2.82%	587	2.20%
>95% .....	11,957,487.56	0.28%	61	0.23%
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

As at the cut-off date, the weighted average indexed LTV was 62.27 per cent.

For the purposes of the above table, Reference Index means Nationwide House Price Index.

#### Current LTV (using valuation at time of latest advance)

Range of current LTV ratios	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0% – 25% .....	142,317,953.11	3.31%	2,142	8.03%
>25% – 50% .....	854,715,106.25	19.86%	6,190	23.19%
>50% – 75% .....	2,040,009,048.17	47.39%	11,667	43.71%
>75% – 80% .....	356,829,857.82	8.29%	1,890	7.08%
>80% – 85% .....	484,088,483.63	11.25%	2,369	8.88%
>85% – 90% .....	320,631,111.61	7.45%	1,767	6.62%
>90% – 95% .....	105,787,030.10	2.46%	664	2.49%
>95% .....	-	-	-	-
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

As at the cut-off date, the weighted average unindexed LTV was 63.22 per cent.

#### Geographical distribution

The following table shows the distribution of properties throughout England, Wales and Scotland. No such properties are situated outside England, Wales and Scotland. The geographical location of a property has no impact upon the seller's lending criteria and credit scoring tests.

Region	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
East .....	583,374,500.18	13.55%	3,323	12.45%
East Midlands .....	209,048,178.28	4.86%	1,667	6.25%
London .....	939,091,507.58	21.82%	3,838	14.38%
North East .....	68,249,220.37	1.59%	660	2.47%
North West .....	258,194,794.08	6.00%	2,106	7.89%
Scotland .....	356,359,717.68	8.28%	3,233	12.11%
South East .....	1,031,216,323.75	23.96%	5,348	20.04%
South West .....	365,880,074.12	8.50%	2,437	9.13%
Wales .....	105,866,216.16	2.46%	1,032	3.87%



West Midlands .....	207,043,618.20	4.81%	1,557	5.83%
Yorkshire and Humberside .....	180,054,440.29	4.18%	1,488	5.58%
<b>Total .....</b>	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

For a discussion of geographic concentration risks, see "Risk Factors – The portfolio may be subject to geographic concentration risks" in the base prospectus.

### Seasoning of loans

The following table shows the time elapsed since the date of origination of the loans. The ages (but not the balances) of the loans in this table have been forecast forward to the cut-off date for the purpose of calculating the seasoning.

<b>Age of loans in months</b>	<b>Current principal balance (£)</b>	<b>% of total balance</b>	<b>Number of mortgage accounts</b>	<b>% of total mortgage accounts</b>
0 – <6.....	668,015,983.84	15.52%	3,566	13.36%
6 – <12.....	889,241,079.89	20.66%	5,035	18.87%
12 – <18.....	721,893,072.65	16.77%	4,316	16.17%
18 – <24.....	698,556,392.46	16.23%	4,174	15.64%
24 – <30.....	582,319,094.12	13.53%	3,401	12.74%
30 – <36.....	105,130,882.62	2.44%	707	2.65%
36 – <42.....	75,473,291.11	1.75%	488	1.83%
42 – <48.....	91,692,161.70	2.13%	610	2.29%
48 – <54.....	102,438,340.37	2.38%	694	2.60%
54 – <60.....	85,671,685.27	1.99%	660	2.47%
60 – <66.....	77,061,461.66	1.79%	602	2.26%
66 – <72.....	37,197,808.41	0.86%	328	1.23%
72 – <78.....	19,405,586.72	0.45%	162	0.61%
78 – <84.....	8,261,032.72	0.19%	79	0.30%
84 – <90.....	5,329,688.63	0.12%	57	0.21%
90 – <96.....	6,749,901.23	0.16%	67	0.25%
96 – <102.....	6,661,498.52	0.15%	73	0.27%
102 – <108.....	8,566,095.83	0.20%	89	0.33%
108 – <114.....	6,204,774.09	0.14%	68	0.25%
114 – <120.....	10,114,779.71	0.23%	109	0.41%
120 – <126.....	5,344,721.41	0.12%	90	0.34%
126 – <132.....	10,687,674.76	0.25%	160	0.60%
132 – <138.....	15,277,912.24	0.35%	220	0.82%
138 – <144.....	14,830,387.10	0.34%	200	0.75%
144 – <150.....	17,383,929.19	0.40%	211	0.79%
150 – <156.....	14,069,819.65	0.33%	192	0.72%
156 – <162.....	9,579,153.67	0.22%	168	0.63%
162 – <168.....	10,591,629.58	0.25%	148	0.55%
168 – <174.....	592,549.80	0.01%	14	0.05%
174 – <180.....	-	-	-	-
>= 180.....	36,201.74	0.00%	1	0.00%
<b>Total.....</b>	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

As at the cut-off date, the weighted average seasoning of loans was approximately 22.9 months, the maximum seasoning of loans was 200 months and the minimum seasoning of loans was 3 months.

## Years to maturity of loans

The following table shows the number of years of the mortgage term which remain unexpired.

Years to maturity	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
0 – <=5.....	48,413,388.71	1.12%	692	2.59%
>5 – <=10 .....	225,826,339.21	5.25%	2,401	9.00%
>10 – <=15 .....	494,397,864.17	11.49%	4,100	15.36%
>15 – <=20 .....	730,158,389.19	16.96%	4,819	18.06%
>20 – <=25 .....	1,290,922,994.31	29.99%	7,073	26.50%
>25 – <=30 .....	998,967,627.51	23.21%	5,026	18.83%
>30 – <=35 .....	515,691,987.59	11.98%	2,578	9.66%
>35 – <=40 .....	-	-	-	-
>40 – <=45 .....	-	-	-	-
>45.....	-	-	-	-
Unknown	-	-	-	-
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

As at the cut-off date, the weighted average remaining term of loans was approximately 22.17 years, the maximum remaining term was 33.33 years and the minimum remaining term was 0.17 years.

## Purpose of loan

The following table shows the purpose of the loans on origination

Use of proceeds	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Remortgage .....	1,333,696,111.89	30.98%	8,527	31.95%
House Purchase .....	2,566,776,021.26	59.63%	15,109	56.61%
Renovation .....	2,469,580.93	0.06%	169	0.63%
Equity Release.....	54,079.00	0.00%	2	0.01%
Debt Consolidation.....	73,376,039.17	1.70%	801	3.00%
Other.....	3,385,967.85	0.08%	41	0.15%
Re-mortgage with Equity Release.....	319,429,984.57	7.42%	2,017	7.56%
Re-mortgage on different terms .....	270,999.00	0.01%	1	0.00%
Unknown .....	4,919,807.02	0.11%	22	0.08%
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

## Repayment terms

The following table shows the repayment terms for the loans in the mortgage accounts as at the cut-off date. Where any loan in a mortgage account is interest-only, then that entire mortgage account is classified as interest-only.

Repayment terms	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Part-part.....	-	-	-	-
Interest-only .....	748,206,840.94	13.62%	3,634	17.38%
Repayment .....	3,556,171,749.75	86.38%	23,055	82.62%
<b>Total</b> .....	<b>4,304,378,590.69</b>	<b>100.00%</b>	<b>26,689</b>	<b>100.00%</b>

## Product type

The following table shows the distribution of product type as at the cut-off date.

Product type	Current principal balance (£)	% of total balance	Number of mortgage accounts	% of total mortgage accounts
Floating rate .....	30,441,982.66	0.71%	348	1.30%
Tracker .....	269,693,704.70	6.27%	1,485	5.56%
Discount .....	-	-	-	-
Fixed rate .....	4,004,242,904.33	93.03%	24,856	93.13%
Total .....	4,304,378,590.69	100.00%	26,689	100.00%

## Arrears

Status	Aggregate outstanding balance as at the cut-off date (£)	% of arrears by balance	Total arrears balance (£)	Number of mortgage accounts	% of total mortgage accounts
<1 month .....	4,304,378,590.69	100.00%	0	26,689	100.00%
≥1 – <2 months .....					
≥2 – <3 months .....					
≥3 – <4 months .....					
≥4 – <5 months .....					
≥5 – <6 months .....					
≥6 – <7 months .....					
≥7 – <8 months .....					
≥8 – <9 months .....					
≥9 – <10 months .....					
≥10 – <11 months .....					
≥11 – <12 months .....					
≥12 months .....					
<b>Total .....</b>	4,304,378,590.69	100.00%	0	26,689	100.00%

As at the cut-off date, the total outstanding balance of loans in the expected portfolio that were greater than 30 days in arrears was £0, representing 0 per cent. of the outstanding balance of loans in the expected portfolio as at such date.

## Notes

### Notes issued by the issuer and loan tranches advanced by the issuer to Funding 1 in connection therewith

As at the closing date, the aggregate principal amount outstanding of notes (converted, where applicable, into sterling at the applicable specified currency exchange rate), including the issue 2019-1 notes described herein, will be:

class A notes .....	£1,411,707,633
class B notes .....	£0
class C notes .....	£0
class D notes .....	£0
class M notes .....	£0
class Z notes (other than class Z variable funding notes) .....	£249,358,000
class Z variable funding notes .....	£0

As at the closing date, the aggregate outstanding principal balance of loan tranches advanced by the issuer to Funding 1 under the master intercompany loan agreement, including the loan tranches described herein, will be:

AAA Loan Tranches .....	£1,411,707,633
AA Loan Tranches .....	£0
A Loan Tranches .....	£0
BBB Loan Tranches .....	£0
BB Loan Tranches .....	£0
NR Loan Tranches (other than NR VFN Loan Tranche) .....	£249,358,000
NR VFN Loan Tranche .....	£0

### Funding 1 start-up loan

The Funding 1 start-up loan to be made available to Funding 1 on the closing date in connection with series 2019-1 will have the following terms:

<b>Funding 1 start-up loan provider:</b>	Santander UK
<b>Initial outstanding principal balance:</b>	£1,343,508.10
<b>Interest rate:</b>	SONIA + 0.90 per cent. per annum

The Funding 1 start-up loans made available to Funding 1 on the previous closing dates had the following terms:

<b>Funding 1 start-up loan provider</b>	<b>Current outstanding principal balance</b>	<b>Interest Rate</b>
Santander UK (in respect of the issue 2011-2 notes) .....	£0	Three-Month Sterling LIBOR + 0.90% per annum

## SECURITISATION REGULATION

### STS requirements

The seller, as originator, has procured an STS notification to be submitted to the European Securities and Markets Association (**ESMA**), in accordance with Article 27 of the Securitisation Regulation, and to the FCA, that the requirements of Articles 19 to 22 of the Securitisation Regulation (the **STS requirements**) have been satisfied with respect to the issue 2019-1 notes. It is expected that the STS notification will be available on the website of ESMA (<https://www.esma.europa.eu/policyactivities/securitisation/simple-transparent-and-standardised-stssecuritisation>). For the avoidance of doubt, this website and the contents thereof do not form part of this final terms.

The seller has not used the services of an authorised verification agent authorised under Article 28 of the Securitisation Regulation in connection with the verification of the compliance of the issue 2019-1 notes with the STS requirements.

The seller has obtained a legal opinion provided by qualified external legal counsel providing, among other things: (i) confirmation that the true sale, assignment or transfer segregate the loans and their related security from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale; (ii) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in (i) against the seller or any other third party; and (iii) an assessment of clawback risks and re-characterisation risks, which legal opinion is accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of the Securitisation Regulation and any relevant competent authority from among those referred to in Article 29 of the Securitisation Regulation.

### Mitigation of interest rate and currency risks

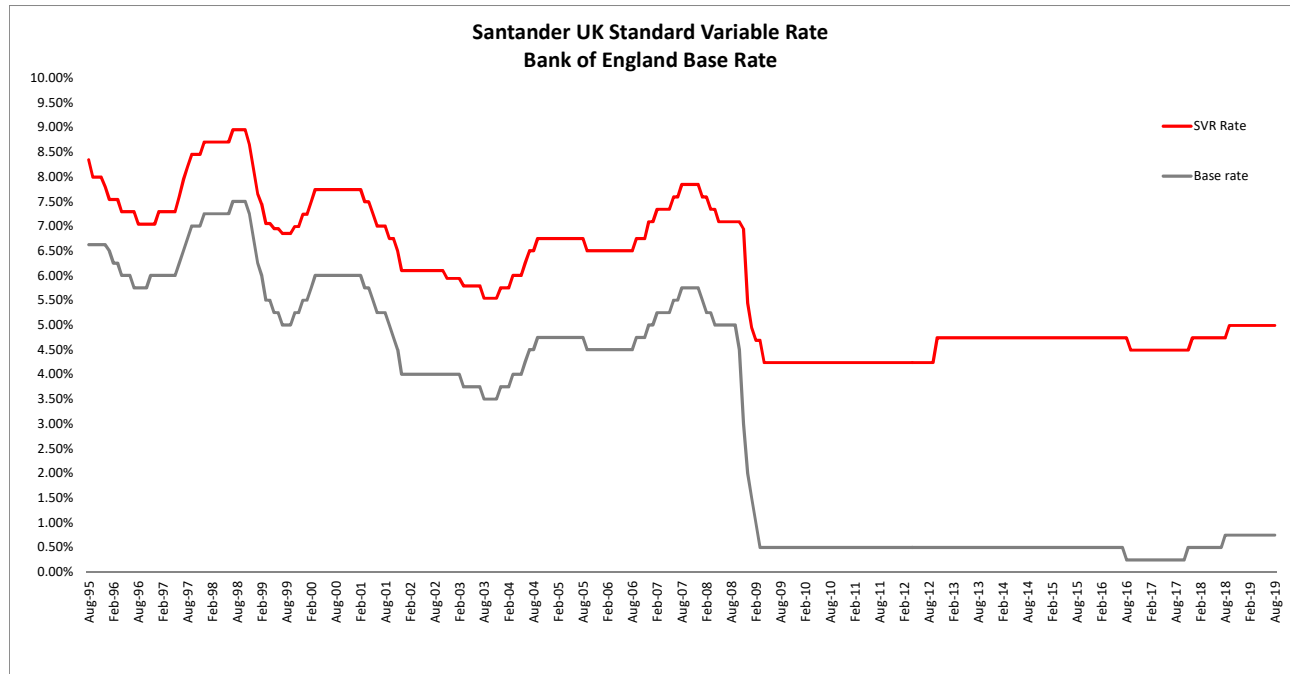
The loans and the notes are affected by interest rate and currency risks (see **"Changes or uncertainty in respect of LIBOR and/or EURIBOR and/or other interest rate benchmarks may affect the value or payment of interest under the notes"** in the Risk Factors section of the prospectus). Each of Funding 1 and the Issuer aim to hedge the relevant interest rate and currency rate exposures in respect of the loans and the notes, as applicable, by entering into certain swap agreements (see **"The swap agreements"** in the prospectus).

Interest rate risks are also managed through:

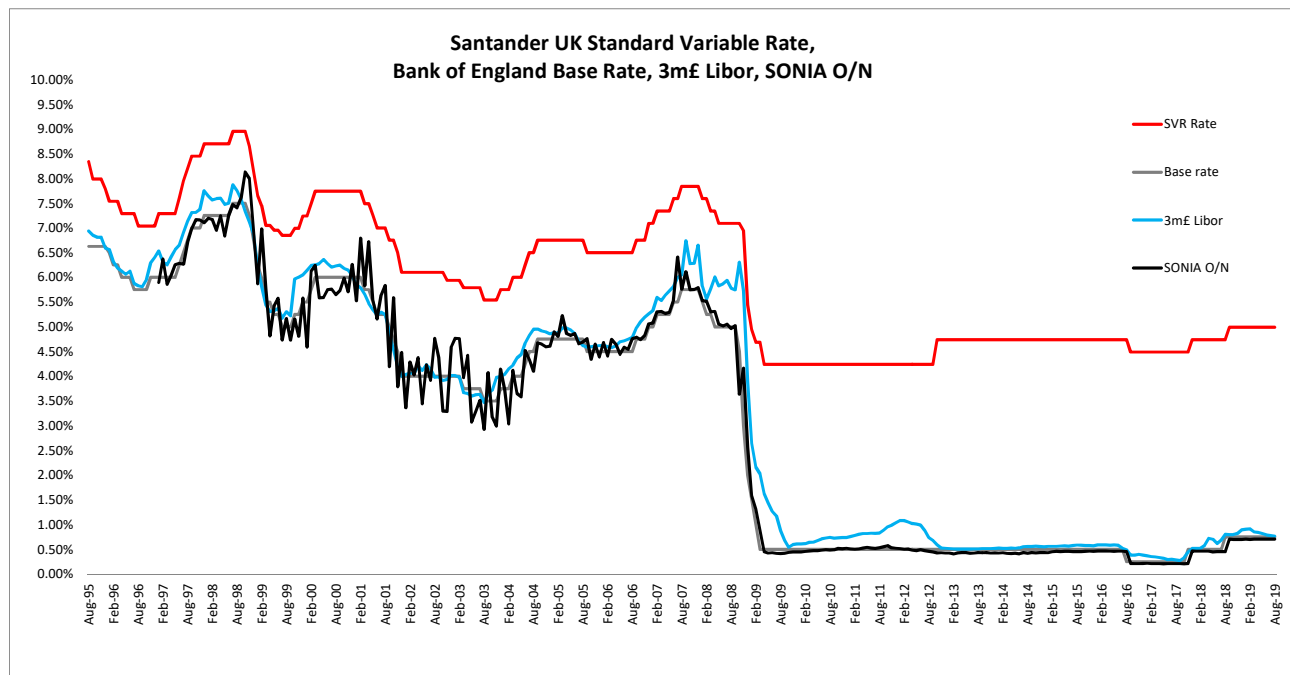
- a requirement in the servicing agreement that any discretionary rates set by the servicer in respect of the loans are set at a minimum rate (subject to the terms of the mortgage loans and applicable law) (see **"Description of the transaction documents – Servicing agreement – Undertakings by the servicer"** in the prospectus), noting that such requirement is contingent upon the swap provider failing to perform under the relevant swap agreements, being in default or becoming insolvent;
- with respect to the issuer, it fully hedges its obligations as the issuer lends the proceeds of any offering of notes to Funding 1 pursuant to the intercompany loan agreement, where the proceeds of sterling denominated floating rate notes are lent on the same terms as the notes with respect to currency and interest rate; and after giving effect to the relevant swap agreements, the proceeds of sterling denominated fixed rate notes and/or non-sterling denominated notes are lent to Funding 1 pursuant to the intercompany loan agreement on the same terms as the notes with respect to currency and interest rate;
- with respect to Funding 1, Funding 1 obtains its share of revenue generated on a monthly basis from the fixed rate, discounted variable rate, capped rate, tracker, minimum rate and higher variable rate loans, Funding 1 has entered into swap agreements; and
- with respect to the Trust, it does not require any hedging as it distributes the revenue and principal that it receives from the trust property to Funding 1 and the seller.

Except for the purpose of hedging interest-rate or currency risk, none of the Issuer, Funding 1 or the Mortgages Trustee enter into derivative contracts, for the purposes of Article 21(2) of the Securitisation Regulation.

The table below shows the seller variable rate and the Bank of England base rate from August 1995 to August 2019.



The table below shows the seller variable rate, the base rate, three months sterling LIBOR, the Bank of England base rate and SONIA from August 1995 to August 2019.



## Verification of data

The seller has caused a sample of the loans (including the data disclosed in respect of those loans) to be subject to an agreed upon procedures review by an appropriate and independent third party. The expected portfolio as at 30 June 2019 has been subject to an agreed upon procedures review on a sample of loans selected from the portfolio and conducted by and completed by a third party on 17 September 2019 (the **AUP report**). Another independent third party has verified that the stratification tables disclosed under the sections “Statistical information on the expected portfolio”, “Static pool data and dynamic data in respect of whole residential mortgage book” of this final terms and “Static pool data and dynamic data in respect of whole residential mortgage book” in the base prospectus in respect of the loans are accurate.

## STATIC POOL DATA AND DYNAMIC DATA IN RESPECT OF WHOLE RESIDENTIAL MORTGAGE BOOK

The tables below set out, to the extent material, certain static pool information with respect to the loans in the mortgages trust. The table should be read together with the tables set forth under “Static pool data and Dynamic Data in respect of Whole Residential Mortgage Book” in the base prospectus.

Static pool information on prepayments has not been included because changes in prepayment and payment rates historically have not affected repayment of the notes, and are not anticipated to have a significant effect on future payments on the notes for a number of reasons. The mechanics of the mortgage trust require an extended cash accumulation period (for bullet loan tranches) when prepayment rates fall below certain minima required by the rating agencies, serving to limit the extent to which slow prepayments would cause the average lives of the notes to extend. Furthermore, only a limited amount of note principal in relation to the very large mortgages trust size is actually due to be repaid on any particular interest payment date.

One of the characteristics of the mortgages trust is that the seller is able to sell more loans to the mortgages trustee over time, whether in connection with an issuance of notes by the issuer or any new notes by a new issuer or in order to maintain the minimum seller share. To aid in understanding changes to the mortgages trust over time, the following table sets out information relating to each sale of loans by the seller to the mortgages trustee pursuant to the mortgage sale agreement.

Date	Balance of loans substituted or sold	Number of loans substituted or sold
28 November 2006	£3,399,995,370	42,395
1 August 2007	£4,888,705,280	53,212
26 November 2007	£1,517,425,544	15,680
12 March 2010	£1,199,521,398	14,468
3 June 2010	£4,312,895,908	42,051
27 July 2010	£3,021,735,828	27,596
25 May 2011	£4,774,431,440	53,726
15 July 2011	£1,200,835,714	10,662
28 November 2011	£3,343,203,162	24,830
27 April 2012	£3,440,690,829	35,433
31 May 2012	£485,536,388	7,352
31 October 2012	£2,001,895,926	21,132
13 September 2019*	£4,124,364,069	21,983

\* Portfolio Replacement date

The sale of new loans by the seller to the mortgages trustee is subject to conditions, including ones required by the rating agencies, designed to maintain certain credit-related and other characteristics of the mortgages trust. These include limits on loans in arrears in the mortgages trust at the time of sale, limits on the aggregate balance of loans sold, limits on changes in the weighted average repossession frequency and the weighted average loss severity, minimum yield for the loans in the mortgages trust after the sale and a maximum loan-to-value ratio for the loans in the mortgages trust after the sale. See a description of these conditions in “**Description of the transaction documents – The mortgage sale agreement – Sale of loans and their related security**”.



The following tables summarise loans in arrears and repossession experience for loans originated by Santander UK (including but not limited to loans in the portfolio) as at the dates indicated below. The tables should be read together with the tables set forth under “**Static Pool Data and Dynamic Data in respect of whole Residential Mortgage Book**” in the base prospectus.

Balance of loans that have ever entered into 3-month + arrears																			
Year that the loan was first in 3-month+ arrears																			
Origination year		Total*	2003**	2004**	2005**	2006**	2007**	2008**	2009**	2010**	2011**	2012**	2013**	2014**	2015**	2016**	2017**	2018**	
	2003	£23,655.7m	£37.3m	£233.9m	£484.2m	£654.2m	£764.7m	£847.4m	£914.8m	£955.3m	£991.1m	£1,025.8m	£1,054.3m	£1,076.3m	£1,089.2m	£1,098.8m	£1,110.4m	£1,119.4m	
	2004	£19,728.2m		£39.6m	£230.0m	£416.8m	£570.5m	£682.4m	£778.7m	£829.3m	£884.3m	£929.6m	£966.9m	£991.2m	£1,009.8m	£1,023.4m	£1,034.8m	£1,046.3m	
	2005	£24,124.5m			£29.7m	£200.3m	£405.5m	£632.6m	£819.9m	£935.1m	£1,025.7m	£1,108.5m	£1,176.1m	£1,222.5m	£1,257.6m	£1,284.9m	£1,307.9m	£1,331.2m	
	2006	£28,559.7m				£44.6m	£267.7m	£630.1m	£1,001.3m	£1,202.2m	£1,378.0m	£1,532.2m	£1,660.6m	£1,744.6m	£1,807.5m	£1,853.8m	£1,888.3m	£1,926.1m	
	2007	£32,028.0m					£42.3m	£410.3m	£1,009.5m	£1,349.8m	£1,637.5m	£1,911.9m	£2,162.0m	£2,318.7m	£2,433.5m	£2,519.2m	£2,588.2m	£2,653.8m	
	2008	£28,729.2m						£145.6m	£706.0m	£1,134.0m	£1,477.2m	£1,770.5m	£2,051.4m	£2,218.6m	£2,336.9m	£2,433.8m	£2,508.8m	£2,579.7m	
	2009	£18,993.4m							£35.4m	£140.6m	£250.9m	£359.0m	£447.3m	£510.3m	£547.8m	£583.2m	£612.6m	£645.2m	
	2010	£17,629.1m								£10.5m	£59.2m	£124.8m	£202.7m	£252.3m	£290.2m	£318.5m	£340.2m	£364.9m	
	2011	£20,794.4m									£9.2m	£61.3m	£132.2m	£195.7m	£242.6m	£279.2m	£307.7m	£337.8m	
	2012	£14,730.1m										£6.9m	£30.6m	£61.2m	£86.8m	£114.4m	£134.7m	£150.4m	
	2013	£18,465.2m											£2.6m	£16.7m	£35.7m	£54.8m	£76.3m	£93.0m	
	2014	£25,817.0m												£3.8m	£17.8m	£44.6m	£69.5m	£96.3m	
	2015	£25,620.4m													£1.3m	£15.2m	£41.8m	£76.0m	
	2016	£24,772.1m														£2.5m	£21.4m	£58.2m	
	2017	£24,387.6m															£2.4m	£20.0m	
	2018	£27,310.3m																	£2.3m

\* Origination values do not include further advances and flexible mortgage loan drawdowns.

\*\* Balance of loans that have ever entered into more than three months arrears. Data is cumulative.

Balance of loans that have been repossessed																	
Year that the loan was first repossessed																	
	Total*	2003**	2004**	2005**	2006**	2007**	2008**	2009**	2010**	2011**	2012**	2013**	2014**	2015**	2016**	2017**	2018**
2003	£23,655.7m	£0.2m	£9.0m	£38.1m	£69.9m	£93.4m	£117.8m	£132.9m	£142.2m	£150.2m	£157.6m	£162.9m	£166.4m	£168.5m	£170.1m	£170.9m	£172.1m
2004	£19,728.2m		£0.6m	£13.5m	£46.5m	£82.2m	£117.8m	£143.1m	£158.5m	£173.1m	£184.6m	£194.0m	£200.1m	£203.1m	£205.5m	£207.4m	£209.1m
2005	£24,124.5m			£0.3m	£15.0m	£43.1m	£95.5m	£140.9m	£168.8m	£195.3m	£219.9m	£236.8m	£249.4m	£257.2m	£261.8m	£265.6m	£269.1m
2006	£28,559.7m				£1.4m	£27.8m	£88.5m	£172.1m	£223.2m	£265.2m	£300.4m	£333.4m	£356.6m	£370.2m	£381.6m	£389.9m	£395.2m
2007	£32,028.0m					£0.9m	£28.3m	£123.5m	£199.7m	£279.8m	£347.4m	£424.7m	£471.3m	£499.5m	£519.3m	£537.9m	£552.1m
2008	£28,729.2m						£2.0m	£51.3m	£121.3m	£189.1m	£261.6m	£328.6m	£370.7m	£399.1m	£419.0m	£430.8m	£442.1m
2009	£18,993.4m							£0.0m	£4.6m	£13.7m	£25.3m	£35.9m	£45.1m	£50.9m	£55.0m	£56.8m	£61.0m
2010	£17,629.1m								£0.0m	£1.8m	£7.4m	£12.5m	£17.1m	£20.6m	£24.2m	£25.4m	£27.2m
2011	£20,794.4m									£0.0m	£1.4m	£5.8m	£9.2m	£11.9m	£14.3m	£15.9m	£17.6m
2012	£14,730.1m										£0.0m	£0.9m	£1.9m	£3.2m	£4.4m	£5.0m	£5.4m
2013	£18,465.2m											£0.0m	£0.2m	£0.3m	£0.7m	£1.2m	£2.3m
2014	£25,817.0m												£0.0m	£0.0m	£1.1m	£1.6m	£3.0m
2015	£25,620.4m													£0.0m	£0.2m	£0.8m	£2.5m
2016	£24,772.1m														£0.0m	£0.1m	£0.8m
2017	£24,387.6m															£0.0m	£0.1m
2018	£27,310.3m																£0.0m

\* Origination values do not include further advances and flexible mortgage loan drawdowns.  
 \*\* Balance of loans that have ever been repossessed. Data is cumulative.

The following table summarises the credit performance in respect of loans originated by Santander UK (including but not limited to loans in the portfolio) since 2013 (*source: 2018, 2016, 2015 and 2014 Santander UK Annual Reports*). The table should be read together with the tables set forth under “**Static Pool Data and Dynamic Data in respect of whole Residential Mortgage Book**” in the base prospectus.

	2018	2017	2016	2015	2014	2013
	£m	£m	£m	£m	£m	£m
Mortgage loans and advances to which:	157,957	154,682	154,274	152,819	150,057	148,079
– Stage 1	146,619	NA	NA	NA	NA	NA
– Stage 2	9,356	NA	NA	NA	NA	NA
– Stage 3 <sup>(1)</sup>	1,982	NA	NA	NA	NA	NA
Performing <sup>(2)</sup>	NA	151,688	150,895	148,963	145,598	142,806
Early arrears:	NA	1,126	1,269	1,604	1,941	2,394
– 31 to 60 days	NA	700	793	979	1,185	1,424
– 61 to 90 days	NA	426	476	625	756	970
NPLs: <sup>(3)</sup>	1,907	1,868	2,110	2,252	2,459	2,788
– By arrears	1,392	1,427	1,578	1,826	2,133	2,558
– By bankruptcy	18	14	21	34	44	55
– By maturity default	392	303	316	263	210	146
– By forbearance	80	95	160	83	72	29
– By properties in possession (PIPs)	25	29	35	46	-	91
PIPs not classified as NPL	NA	NA	NA	NA	59	NA
Loss allowances <sup>(4)</sup>	234	225	279	424	579	593
Stage 2 ratio	5.92%	NA	NA	NA	NA	NA
Stage 3 ratio	1.25%	NA	NA	NA	NA	NA
Early arrears ratio <sup>(5)</sup>	NA	0.73%	0.82%	1.05%	1.29%	1.62%
NPL ratio <sup>(6)</sup>	1.21%	1.21%	1.37%	1.47%	1.64%	1.88%
Coverage ratio <sup>(7)</sup>	NA	12%	13%	19%	24%	21%

- (1) Stage 1: when there has been no significant increase in credit risk (SICR) since initial recognition, Stage 2: when there has been a SICR since initial recognition, but no credit impairment has materialised, Stage 3: when the exposure is considered credit impaired.
- (2) Excludes mortgages where the customer did not pay for between 31 and 90 days, arrears, bankruptcy, maturity default, forbearance and PIPs NPLs.
- (3) Mortgage loans and advances are classified as non-performance loans when customers do not make a payment for three months or more, or if Santander UK has data that raises doubts on the ability of customers to keep up with payments.
- (4) Prior to 2018, loss allowances were on an incurred loss basis per IAS 39, whilst for 2018 they are on an ECL basis per IFRS 9. The loss allowance is for both on and off-balance sheet exposures.
- (5) Mortgages in early arrears as a percentage of mortgages.
- (6) Mortgage NPLs as a percentage of mortgages.
- (7) Loss allowances as a percentage of NPLs.

### **Listing and admission to trading application**

These final terms comprise the final terms required for the notes described herein to be admitted to the Official List and admitted to trading on the regulated market of the London Stock Exchange pursuant to the Residential Mortgage Backed Note Programme of Fosse Master Issuer plc.

Signed on behalf of the issuer:

By:.....  
*Duly authorised*

# **SUPPLEMENTAL NOTE TRUST DEED**

24 JUNE 2025

**FOSSE MASTER ISSUER PLC**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

relating to a  
**Residential Mortgage Backed Note Programme**

## CONTENTS

Clause	Page
1. Interpretation and Construction .....	3
2. Amendment of the Existing Note Trust Deed .....	4
3. Supplemental .....	4
4. Counterparts .....	5
5. Rights of Third Parties.....	5
6. Governing Law .....	5
7. Submission to Jurisdiction.....	5

### Schedule

1. Terms and Conditions of the Notes .....	7
--	---

**THIS SUPPLEMENTAL NOTE TRUST DEED** is made on 24 June 2025

**BETWEEN:**

- (1) **FOSSE MASTER ISSUER PLC** (registered number 05925693) whose registered office is at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting through its offices at 160 Queen Victoria Street, London EC4V 4LA (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 the Note Trust Deed).

**WHEREAS:**

- (A) This Deed is supplemental to the Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010, 9 September 2010, 21 April 2011, 27 April 2012, 23 May 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022, 16 June 2023, 21 June 2024 and 18 October 2024 (herein after referred to as the **Existing Note Trust Deed**).
- (B) Pursuant to the Supplemental Funding 1 Deed of Charge, the Supplemental Issuer Deed of Charge and the Supplemental Note Trust Deed each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, London Branch, The Bank of New York Mellon, London Branch was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.
- (C) The Issuer and the Note Trustee have agreed, pursuant to clause 21.2 of the Existing Note Trust Deed, to enter into this Deed to amend the Existing Note Trust Deed in the manner specified in Clause 2.1 and to amend and restate the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto.

**NOW THIS DEED WITNESSES** as follows:

**1. INTERPRETATION AND CONSTRUCTION**

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020, 29 July 2021, 28 June 2022, 16 June 2023, 14 May 2024, 21 June 2024, 18 October 2024 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012, 29 April 2016, 13 September 2019, 29 July 2021, 28 June 2022, 16 June 2023, 21 June 2024, 18 October 2024 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.

- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

## 2. AMENDMENT OF THE EXISTING NOTE TRUST DEED

### 2.1 Conditions

The Issuer and the Note Trustee agree to amend and restate, from the date of this Deed, the Conditions as set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto. For the avoidance of doubt, the Issuer and the Note Trustee hereby agree and confirm that the Conditions set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto apply only to Notes issued on or after the date of this Deed.

### 2.2 Amendments

- (a) The parties hereto agree that, with effect on and from the date hereof, the Existing Note Trust Deed shall be modified by deleting and replacing in its entirety clause 27.3 as follows:

“In no event shall the Note Trustee be liable for any losses arising from the Note Trustee receiving any data from or transmitting any data to the Issuer or acting upon any notice, instruction or other communications via any Electronic Means (save where such losses are incurred as a result of any negligence or wilful default of the Note Trustee). The Note Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuer.

For these purposes, **Electronic Means** shall mean the following communications methods: (i) non secure methods of transmission or communication such as e-mail and facsimile transmission and (ii) secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by the Note Trustee, or another method or system specified by the Note Trustee as available for use in connection with its services hereunder.”

- (b) The parties hereto agree that, with effect on and from the date hereof, the Existing Note Trust Deed shall be modified by deleting and replacing in its entirety clause 33 as follows:

"(a) The Issuer covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC)), the United Nations Security Council, the European Union or HM Treasury (collectively **Sanctions**).

(b) The Issuer covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Deed, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person."

## 3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the

Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

**4. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by email or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by email or electronic transmission).

**5. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**6. GOVERNING LAW**

These presents (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

**7. SUBMISSION TO JURISDICTION**

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in relation to this Deed (and any non-contractual obligations arising out of or in connection with it) (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 3.

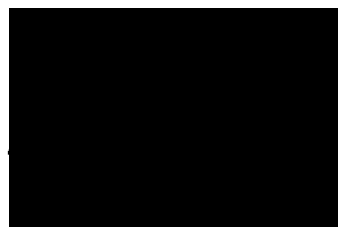
**The Issuer**

**EXECUTED and DELIVERED as a DEED by  
FOSSE MASTER ISSUER PLC**

Per pro CSC Directors (No. 3) Limited as Director

Per pro CSC Directors (No. 4) Limited as Director

)  
)  
)  
)



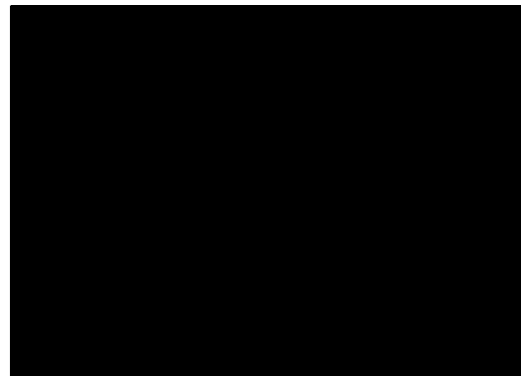


**The Note Trustee**

**EXECUTED and DELIVERED as a DEED by** )  
**THE BANK OF NEW YORK MELLON,** )  
**LONDON BRANCH** )  
**acting by its authorised signatory** )

Duly authorised attorney/signatory

Name:



## **SCHEDULE 1**

### **TERMS AND CONDITIONS OF THE NOTES**

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following the date of this base prospectus in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Issuer may issue unlisted Notes and/or Non-LSE Listed Notes, the Issue Terms in relation to which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. Unlisted Notes and Non-LSE Listed Notes will not be issued pursuant to (and do not form part of) the base prospectus, and will not be issued pursuant to any Final Terms under the base prospectus.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References hereinafter to the **Notes** shall, unless the context otherwise requires, be references to all the notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

References hereinafter to the **Noteholders** shall, unless the context otherwise requires, be references to all the Noteholders.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will complete these Conditions in respect of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and provision of satisfactory proof of holding and identity and (b) the U.S. Paying Agent, being at the date hereof 14th Floor, 388 Greenwich Street, New York, NY 10013. Copies of the Final Terms of each Series of Notes (a) may be provided by email to a Noteholder following prior written request to the Principal Paying Agent and (b) are obtainable on the website of the Issuer at <https://www.santander.co.uk/about-santander/investor-relations/fosse-master-trust>.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Rule 144A Notes are being offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A. The Reg S Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S.

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, scheduled redemption Notes, pass-through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms. Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as are specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that each Rule 144A Note will be issued in minimum denominations of \$200,000 or such other amount specified in the applicable Final Terms and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 or such other amount specified in the applicable Final Terms and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

The first Class Z Variable Funding Note shall be issued with a minimum aggregate Principal Amount Outstanding of at least £10,000,000.

## **1.2 Register**

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

## **1.3 Title**

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## **1.4 Transfers**

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

Title to a Class Z Variable Funding Note shall only pass by and upon registration of the transfer in the Class Z Variable Funding Note register provided that no transferee shall be registered as a new Class Z Variable Funding Note Holder unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained (and the Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the holders of the Rated Notes) and (ii) such transferee has certified to, inter alios, the Registrar and the Issuer that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder.

The Notes are not issuable in bearer form. Prior to the expiry of the applicable distribution compliance period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in

the United States or who is a U.S. person will only be made to certain persons in offshore transactions outside the U.S. in reliance on Regulation S, or otherwise pursuant to an effective registration statement in accordance with the Securities Act or an exemption from the registration requirements thereunder and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

## **2. STATUS, PRIORITY AND SECURITY**

### **2.1 Status**

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

### **2.2 Conflict between the Classes of Notes**

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to paragraph (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to paragraph (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to paragraph (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to paragraph (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders,

the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;

- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;
- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Issuer Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by them and relied upon by the Note Trustee or the Issuer Security Trustee pursuant to this **Condition 2**, the Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise. 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 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.

### 2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

## 3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:



### **3.1 Negative Pledge**

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

### **3.2 Disposal of Assets**

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

### **3.3 Equitable Interest**

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

### **3.4 Bank Accounts**

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

### **3.5 Restrictions on Activities**

carry on any business other than as described in the base prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

### **3.6 Borrowings**

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

### **3.7 Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

### **3.8 Waiver or Consent**

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

### **3.9 Employees or Premises**

have any employees or premises or subsidiaries;

### **3.10 Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

### **3.11 Purchase Notes**

purchase or otherwise acquire any Note or Notes; or

### 3.12 United States Activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)), and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

### 4.2 Interest on Floating Rate Notes

#### (a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

As used in these Conditions, **Floating Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or the first) Interest Payment Date.

#### (b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

Screen Rate Determination for Floating Rate Notes

**SONIA**

**Compounded Daily SONIA (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Final Terms), in respect of any London Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SONIA<sub>i-pLBD</sub>; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SONIA<sub>i</sub>;

**d<sub>o</sub>** means the number of London Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**i** means a series of whole numbers from 1 to  $d_0$ , each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**London Business Day or LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**$n_i$** , for any London Business Day  $i$ , means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  London Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i-pLBD</sub>** means (save as specified in the applicable Final Terms) in respect of any London Business Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling  $p$  London Business Days prior to such day.

### **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SONIA" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the

applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**London Business Day** or **LBD** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**SONIA Index<sub>Start</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA Index<sub>End</sub>** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p

London Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Series of Floating Rate Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

## **SOFR**

### **Compounded Daily SOFR (Non-Index Determination)**

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily SOFR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the

following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Daily SOFR** means (save as specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, SOFRi-pUSBD; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFRi;

**d<sub>o</sub>** means the number of U.S. Government Securities Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or

- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**i** means a series of whole numbers from 1 to  $d_o$ , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant SOFR Observation Period;

**$n_i$** , for any U.S. Government Securities Business Day  $i$ , means the number of calendar days from (and including) such U.S. Government Securities Business Day up to (but excluding) the following U.S. Government Securities Business Day;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR Determination Time** means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

**SOFR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling  $p$  U.S. Government Securities Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling  $p$  U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  U.S. Government Securities Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**SOFR reference rate** means, in respect of any U.S. Government Securities Business Day, the rate determined in accordance with the following provisions:

- (a) the Secured Overnight Financing Rate (**SOFR**) as provided by the SOFR Administrator and published, displayed or made available on the Designated Source on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time; and



- (b) if the rate specified in paragraph (a) above does not so appear at the SOFR Determination Time, then:
- (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Agent Bank (or such other party responsible for the calculation of the rate of interest, as specified in the applicable Final Terms) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR<sub>i</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant SOFR Observation Period, the SOFR reference rate for such day;

**SOFR<sub>i-pUSBD</sub>** means (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Interest Period, the SOFR reference rate for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day; and

**U.S. Government Securities Business Day** or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

#### **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily SOFR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SOFR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**Benchmark Replacement Date** has the meaning given in the Benchmark Transition Provisions;

**Benchmark Transition Event** has the meaning given in the Benchmark Transition

Provisions;

**Benchmark Transition Provisions** means the provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes";

**d** means the number of calendar days from (and including) the day in relation to which SOFR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SOFR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**p** means the number of U.S. Government Securities Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms;

**SOFR Administrator** means the Federal Reserve Bank of New York, or any successor administrator of SOFR;

**SOFR Administrator's Website** means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor website of the SOFR Administrator or the website of any successor SOFR Administrator;

**SOFR<sub>Index</sub>** means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (a) the SOFR Index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time;
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the SOFR Index shall be the rate determined pursuant to the penultimate paragraph of Compounded Daily SOFR (Index Determination); or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR Index shall be the rate determined pursuant to the Benchmark Transition Provisions;

**SOFR Index<sub>Start</sub>** means, with respect to an Interest Period, the SOFR Index value for

the day which is p U.S. Government Securities Business Days prior to the first day of such Interest Period;

**SOFR Index<sub>End</sub>** means, with respect to an Interest Period, the SOFR Index value for the day which is p U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

**U.S. Government Securities Business Day or USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published, displayed or made available on the Designated Source and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined as set out under the section entitled "Compounded Daily SOFR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published, displayed or made available on the Designated Source and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the SOFR Index (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 11.5(c) under the section entitled "Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes".

## €STR

### Compounded Daily €STR (Non-Index Determination)

Where Screen Rate Determination and Overnight Rate are specified as "Applicable", the Reference Rate is specified as being "Compounded Daily €STR" and Index Determination is specified as "Not Applicable" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{Daily €STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Daily €STR** means (save as specified in the applicable Final Terms), in respect of any TARGET Business Day i:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method,  $\text{€STR}_{i-p\text{TBDx}}$ ; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method,  $\text{€STR}_i$ ; and

**d<sub>o</sub>** means the number of TARGET Business Days in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR<sub>i</sub>** means, in respect of a TARGET Business Day i the €STR reference rate for such TARGET Business Day;

**€STR<sub>i-pTBDx</sub>** means, in respect of a TARGET Business Day i falling in the relevant Interest Period, the €STR reference rate for such TARGET Business Day falling p TARGET Business Days prior to the relevant TARGET Business Day i;

**€STR Administrator** means the European Central Bank or any successor administrator of €STR;

**€STR Administrator's Website** means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;

**€STR reference rate** in respect of any TARGET Business Day ("TBDx"), means a reference rate equal to the daily Euro Short-Term Rate ("€STR") rate for such TBDx provided by the €STR Administrator and published, displayed or made available on the Designated Source on the TARGET Business Day immediately following TBDx (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

**€STR Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling p TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling p TARGET Business Days prior to the Interest Payment Date for such Interest Period (or the date falling p TARGET Business Days prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

**i** means a series of whole numbers from 1 to do, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, the relevant €STR Observation Period;

**n<sub>i</sub>**, for any day TARGET Business Day i, means the number of calendar days from (and including) such day TARGET Business Day to (but excluding) the following TARGET Business Day;

**p** means the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

### Compounded Daily €STR (Index Determination)

Where Screen Rate Determination, Overnight Rate and Index Determination are specified as "Applicable" and the Reference Rate is specified as being "Compounded Daily €STR" for a Floating Rate Note in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily €STR** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Euro Short-Term Rate as the Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to

which €STR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Index<sub>End</sub> is determined;

**Designated Source** means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service or a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to Noteholders and the Principal Paying Agent in accordance with Condition 14.1;

**€STR Index** means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

**€STR Index<sub>Start</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to the first day of such Interest Period;

**€STR Index<sub>End</sub>** means, with respect to an Interest Period, the €STR Index value for the day which is *p* TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

***p*** means (save as specified in the applicable Final Terms) the number of TARGET Business Days included in the "Observation Look-back Period" specified in the applicable Final Terms; and

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro.

If, as at any relevant Interest Determination Date, the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator or such other authorised distributor or information service provider, as the case may be) the Compounded Daily €STR for the applicable Interest Period for which the relevant €STR Index is not available shall be "Compounded Daily €STR" determined as set out under the section entitled "Compounded Daily €STR (Non-Index Determination)" above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to *p* TARGET Business Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period (as the case may be), the €STR reference rate is not available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published on the Designated Source, as determined by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

Notwithstanding the paragraph above, in the event the European Central Bank publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the relevant Series of Floating Rate Notes for so long as the €STR reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine Daily €STR, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Floating Rate Notes for the first Interest Period had the Floating Rate Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Floating Rate Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Notes became due and payable and the Rate of Interest on such Floating Rate Notes shall, for so long as any such Floating Rate Note remains outstanding, be that determined on such date.

#### **Other Reference Rates**

Where **Screen Rate Determination** is specified as "Applicable" for a Floating Rate Note and the Reference Rate is specified as being EURIBOR in the applicable Final Terms, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the published rate for EURIBOR which appears on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus the Margin (if any) as determined by the Agent Bank.

If the Relevant Screen Page is not available or no published rate for EURIBOR appears, unless both an Index Cessation Event and an Index Cessation Event Effective Date have occurred, the Rate of Interest will be determined by the Agent Bank using the published rate for EURIBOR which appeared on the Relevant Screen Page as at 11.00 a.m. Brussels time (or such other time as specified in the applicable Final Terms)

on the last preceding Business Day prior to the Interest Determination Date for which the Relevant Screen Page was available or in respect of which such published rate was available, plus or minus the Margin (if any).

If the Relevant Screen Page is not available or no published rate for EURIBOR appears at the Specified Time, and both an Index Cessation Event and an Index Cessation Effective Date have occurred, the Rate of Interest shall be determined by the Agent Bank as if references in these Conditions to "EURIBOR" were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR by the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for such rate (and each such replacement rate having been notified in writing by the Issuer to the Agent Bank), provided that, if no such rate has been recommended before the end of the first Interest Determination Date following the date on which the relevant Index Cessation Event occurred, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined as the Rate of Interest as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition:

**Index Cessation Effective Date** means the first date on which EURIBOR is no longer provided by the administrator of EURIBOR; and

**Index Cessation Event** means the occurrence of one or more of the following events in respect of EURIBOR:

(A) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR; or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR.

**(c) *Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

**(d) *Determination of Rate of Interest and Calculation of Interest Amounts***

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (provided that no provision of these Conditions or the Paying Agent and Agency Bank Agreement shall require an Agent to do anything which may be illegal or contrary to applicable law or regulation).



The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

**(e) Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) 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, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

**(f) Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent (as defined in **Condition 4.2(b)**) or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.3 Accrual of Interest**

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.4 Deferred Interest**

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant

Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

#### **4.5 Interest Where There is an Increase Amount of a Class Z Variable Funding Note**

If, in the Floating Interest Period immediately preceding an Interest Payment Date, there has been a subscription of an Increase Amount in respect of a Class Z Variable Funding Note pursuant to **Condition 5.9 below**, the Interest payable shall be determined as the sum of:

- (a) the interest determined as being payable in respect of the Class Z Variable Funding Note as if the Principal Amount Outstanding were the Principal Amount Outstanding of the Class Z Variable Funding Note at the beginning of such Floating Interest Period; plus
- (b) the interest determined as being payable in respect of each Increase Amount made in such Floating Interest Period calculated on the basis set out in **Condition 4.2** as if references in **Condition 4.2** to the Principal Amount Outstanding in respect of such Class Z Variable Funding Note were to the Increase Amount and the Floating Interest Period in respect of such Increase Amount commenced on the Increase Date. The Rate of Interest in respect of any Increase Amount made on an Increase Date which is not an Interest Payment Date shall be the same rate as that determined in respect of the Principal Amount Outstanding of the Class Z Variable Funding Note immediately prior to such Increase Date or such other rate as may be specified in the applicable Final Terms in respect of such Class Z Variable Funding Note.

In all other cases, the interest payable in respect of each Class Z Variable Funding Note shall be determined pursuant to **Condition 4.2 above**.

#### **4.6 Business Day, Business Day Convention, Day Count Fractions and other adjustments**

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem (or any successor system) (**T2**) is open for settlement of payments in euro.

If a **Business Day Convention** is specified for a Fixed Rate Note or a Floating Rate Note in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2(b) (*Screen Rate Determination for Floating Rate Notes*), the "**Floating Rate Convention**", such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the "**Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (iii) the "**Modified Following Business Day Convention**", the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the "**Preceding Business Day Convention**", the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day; or
- (v) the "**Modified Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Fixed Rate Note or a Floating Rate Note in accordance with this **Condition 4**, for any Interest Period:

- (a) if "**Actual/Actual (ICMA)**" is specified for such Note in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (g) if "**30E/360**" or "**Eurobond Basis**" is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (h) such other Day Count Fraction as may be specified in the applicable Final Terms Document.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

If "**adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If "**not adjusted**" is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

## 5. REDEMPTION AND MANDATORY TRANSFER

## 5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

## 5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

## 5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit (as defined in **Condition 4.6** (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the **Principal Amount Outstanding** of each such Note, which shall be the Specified Denomination plus (in the case of each Class Z Variable Funding Note) the aggregate of all relevant Increase Amounts, 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 Interest Determination Date and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

## 5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30

days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in any of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of paragraph (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **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 in writing immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in paragraph (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such

Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in paragraph (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (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 (without liability and without further investigation) of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions. In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes corresponding to such Loan Tranche at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date. The Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) in which event it shall be conclusive and binding on the Noteholders and all other persons.

## **5.6 Optional Redemption in Part**

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 30 nor less than 15 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes in the Instalment Amounts specified in the applicable Final Terms, together with any accrued and unpaid interest in respect thereof, on the date specified as the Optional Partial Redemption Date in respect of such Instalment Amount for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be

paid in priority to or *pari passu* with such Notes in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof (without liability and without further investigation) and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons.

## 5.7 Redemption Amounts

For the purposes of this **Condition 5, Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified: in respect of each Note, the Principal Amount Outstanding of such Note.

## 5.8 Mandatory Transfer of Remarketable Notes

- (i) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

## 5.9 Increase in a Class Z Variable Funding Note

A Class Z Variable Funding Noteholder may on any date (each an **Increase Date**) increase the Principal Amount Outstanding of a Class Z Variable Funding Note and cause a corresponding increase in the Specified Denomination of such Class Z Variable Funding Note, provided that such increase shall not cause the seller share to be reduced below the minimum seller share, by:

- (a) delivering to the Issuer, the Registrar and the Issuer Cash Manager a written notice (with a copy to the Note Trustee) indicating:
  - (i) the amount of the increase (the **Increase Amount**);
  - (ii) the date of the proposed increase (which may be the date on which the notice is provided); and
  - (iii) with satisfactory evidence, that it is the relevant Class Z Variable Funding Noteholder; and
- (b) subscribing for and paying an amount equal to the Increase Amount to the Issuer Transaction Account (or such other account as the Issuer (or the Issuer Cash Manager) may direct from time to time).

The Issuer undertakes to lend the proceeds of the Increase Amount to Funding 1 by way of an increase in the size of the relevant NR VFN Loan Tranche.

## 6. PAYMENTS



## **6.1 Payment of Interest and Principal**

Payments of principal shall be made 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 transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

## **6.2 Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

## **6.3 Payment of Interest Following a Failure to Pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

## **6.4 Change of Agents**

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition.

## **6.5 No Payment on Non-Business Day**

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 (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

## **6.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

## **6.7 Record Date**

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

## 7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

## 8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 9. EVENTS OF DEFAULT

### 9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

## 9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

### 9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

### 9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

### 9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which

for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes 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 D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

## **9.6 Class Z Noteholders**

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

## **9.7 Following Service of a Note Acceleration Notice**

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest.

## **10. ENFORCEMENT OF NOTES**

### **10.1 Enforcement**

Subject as provided in the Note Trust Deed, the Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps or actions and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed

(including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured and/or prefunded to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

## 10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any))

and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

### **11.1 Meetings of Noteholders**

The Note Trust Deed contains provisions for convening meetings (including by way of conferencing call or by use of a videoconferencing platform) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

#### **(a) Class A Notes**

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

#### **(b) Class B Notes**

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

#### **(c) Class M Notes**

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

**(d) Class C Notes**

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

**(e) Class D Notes**

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

**(f) Class Z Notes**

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:



- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes for the time being outstanding of one or more Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Classes of Notes of one or more Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Classes of Notes of one or more Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Classes of Notes of one or more Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Classes of Notes of one or more Series or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Classes of Notes of one or more Series or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Classes of Notes of one or more Series.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Classes of Notes of one or more Series whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Classes of Notes of one or more Series who for the time being are entitled to receive notice of a

meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Classes of Notes of one or more Series.

Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve, provided that the place shall be a location in the United Kingdom (or, if applicable, the European Union). At least 21 days' (and no more than 365 days') notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders.

## **11.2 Programme Resolution**

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

## **11.3 Limitations on Noteholders**

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each

case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and, subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

#### **11.4 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially

prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case, of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or these Conditions of any Series and Class of Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

### 11.5 Modifications and Determinations by Note Trustee

- (a) Subject as provided in the Trust Deed, the Note Trustee may, without the consent of the Noteholders:
  - (i) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
  - (ii) 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
  - (iii) agree to any modification (including a Basic Terms Modification) of these Conditions of any Series and Class of Notes or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
  - (iv) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.
- (b) Subject as provided in the Trust Deed, the Note Trustee shall be obliged, without the consent or sanction of the Noteholders, to concur with the Issuer, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Issuer, in making any modification (other than a Basic Terms Modification, provided that a Base Rate Modification (as defined below) shall not constitute a Basic Terms Modification) of these Conditions or any of the Transaction Documents that the Issuer (acting on the advice of the Issuer Cash Manager) considers necessary for the purpose of changing the base rate (the **Applicable Base Rate**) that then applies in respect of the Floating Rate Notes, the Issuer Swap Agreements, the Loan Tranches, in each case, in relation only to Notes issued on or after 24 June 2025 and/or the Funding 1 Swaps (such replacement rate, an **Alternative Base Rate**) and making, such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer and/or Funding 1 (in each case, acting on the advice of the Issuer Cash Manager) to facilitate such change (a **Base Rate Modification**), provided that, in relation to any such Base Rate Modification:
  - (i) the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) certifies to the Note Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that such Base Rate Modification is being undertaken due to:

- (A) a material disruption to the Applicable Base Rate or any other relevant interest rate benchmark, an adverse change in the methodology of calculating such interest rate benchmark or such interest rate benchmark ceasing to exist or be published;
  - (B) the insolvency or cessation of business of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
  - (C) a public statement by the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that it has or will cease publishing the relevant interest rate benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed) or has or will change such interest rate benchmark in an adverse manner;
  - (D) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark or the central bank for the currency of the relevant Applicable Base Rate or any other relevant interest rate benchmark that the relevant interest rate benchmark has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (E) a public statement by the supervisor of the administrator of the Applicable Base Rate or any other relevant interest rate benchmark that means the relevant interest rate benchmark may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
  - (F) a public announcement of the permanent or indefinite discontinuation of the relevant screen rate or base rate that applies to the Floating Rate Notes at such time;
  - (G) it becoming unlawful for any Paying Agent, the Agent Bank, any calculation agent, the Issuer or the Issuer Cash Manager to calculate any payments due to be made to any Noteholder or any party to the Transaction Documents using the Applicable Base Rate; or
  - (H) the reasonable expectation of the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) that any of the events specified in paragraphs (A) to (G) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;
- (ii) such Alternative Base Rate is either:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve, the Bank of England or the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - (B) a base rate that has replaced the Applicable Base Rate or any other relevant interest rate benchmark in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) denominated in the Specified Currency in respect of Notes, bonds or securities and with an interest period of a comparable duration to the relevant Interest Periods or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in

a good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Applicable Base Rate or any other relevant interest rate benchmark;

- (iii) each of the Rating Agencies confirms in writing to the Issuer (copied to the Note Trustee) that the then current ratings of any Rated Notes will not be downgraded, withdrawn or qualified as a result of such Base Rate Modification (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose; provided that (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) provides no confirmation or response within a reasonable timeframe)); and
- (iv) the Seller or the Issuer pays all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Note Trustee and or any other Transaction Party in connection with such Base Rate Modification,

**provided that:**

- (x) at least 35 calendar days' prior written notice of any such proposed Base Rate Modification has been given to the Note Trustee;
- (y) the Base Rate Modification Certificate in relation to such Base Rate Modification shall be provided to the Note Trustee both at the time the Note Trustee is notified of the proposed Base Rate Modification and on the date that such Base Rate Modification takes effect; and
- (z) the Issuer Cash Manager, acting on behalf of the Issuer, certifies in writing to the Note Trustee (which certification may be in the Base Rate Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed Base Rate Modification in accordance with **Condition 14** and Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have not contacted the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the most senior Class of Floating Rate Notes then outstanding have notified the Issuer or the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within the notification period referred to above that they do not consent to the Base Rate Modification, then such Base Rate Modification will not be made unless an Extraordinary Resolution of the Noteholders of the most senior Class of Floating Rate Notes then outstanding is passed in favour of such Base Rate Modification in accordance with this **Condition 11**.

Objections made other than through the applicable clearing system must be in writing and accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Nothing in this paragraph (b) affects the rights of the Noteholders of Notes issued prior to 24 June 2025 in relation to amendments to the Funding 1 Swaps.

Notwithstanding anything to the contrary in this **Condition 11** or any Transaction Document, when implementing any Base Rate Modification pursuant to this **Condition 11.5**:

- (1) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Base Rate Modification Certificate) or evidence provided to it by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such Base Rate Modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this **Condition 11.5** are satisfied.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders and the Rating Agencies in accordance with Condition 14 as soon as practicable thereafter.

**(c) Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes**

Notwithstanding the provisions of Condition 4.2(b) (Interest on Floating Rate Notes—Rate of interest—Screen Rate Determination for Floating Rate Notes) and Condition 11.5(b) (Modifications and Determinations by Note Trustee), if the Designated Transaction Representative determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to Noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR and issued on or after 24 June 2025 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes calculated by reference to SOFR (and any related swap agreements) and issued on or after 24 June 2025:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any SOFR linked

U.S. dollar denominated Floating Rate Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any SOFR linked U.S. dollar denominated Floating Rate Notes in respect of such determination on such date and all determinations on all subsequent dates.

- II. In connection with the implementation of a Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any SOFR linked U.S. dollar denominated Floating Rate Notes, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).
- IV. The following definitions shall apply to this section titled “*Effect of Benchmark Transition Event SOFR linked Floating Rate Notes*”:

**Benchmark** means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR linked U.S. dollar denominated Floating Rate Notes, at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;



- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked U.S. dollar denominated Floating Rate Notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any SOFR linked U.S. dollar denominated Floating Rate Notes in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked U.S. dollar denominated Floating Rate Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark pursuant to this section titled “*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 3:00 p.m. (London time) on the day that is two London business days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" and any other Condition, the statements in this section shall prevail with respect to any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" affects the rights of the Noteholders of Notes other than any SOFR linked U.S. dollar denominated Floating Rate Notes.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
  - a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Trust Deed) by the Issuer or the Issuer Cash Manager acting on behalf of the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
  - b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights

or protections, of the Note Trustee in the Issuer Transaction Documents and/or these Conditions.

VIII. For the avoidance of doubt, the Issuer (or the Issuer Cash Manager, acting on behalf of the Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled "*Effect of Benchmark Transition Event on SOFR linked Floating Rate Notes*" are satisfied.

(d) Without prejudice to Clauses 20.1, 20.2, 20.3 and 20.4 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes issued after the date hereof, be required to give its consent to, and direct the Issuer Security Trustee and the Funding 1 Security Trustee to consent to, any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer or the Cash Manager, provided that the Issuer has certified to the Note Trustee in writing that such modifications are required in order to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EU EMIR**) and Regulation 348/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as it forms part of UK domestic law by virtue of the EUWA (**UK EMIR**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor and provided such modifications do not relate to a Basic Terms Modification. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

In addition, without prejudice to Clause 21.1 of the Note Trust Deed, the Note Trustee shall, without the consent of any holders of any Series or Class of Notes, be required to give its consent to any modifications to these Conditions or any of the Transaction Documents that are requested by the Issuer, provided that the Issuer has certified to the Note Trustee in writing by two directors that such modifications are required to:

- (i) remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating Notes issued on or after the date of the base prospectus (an **Existing Rating Agency Removal**); and/or
- (ii) reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), irrespective of whether such modifications are materially prejudicial to the interests of the Noteholders of any Series or Class of Notes or any other Issuer Secured Creditor, provided that, in each case and at all times, each Series and Class of Notes continues to be rated by at least two Rating Agencies. The Note Trustee shall not be obliged to agree to any modification pursuant to this paragraph which (in the sole opinion of the Note Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee in the Transaction Documents and/or the Conditions.

The Noteholders of any Series or Class of Notes and any other Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such modifications and shall be bound by such modifications regardless of whether or not such modifications are materially prejudicial to the interests of Noteholders and the other Issuer Secured Creditors.

Any modification, waiver, authorisation or determination made pursuant to this **Condition 11.5** shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall

be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.6 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Sterling Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Sterling Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

#### **11.7 Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. None of the Note Trustee, the Issuer Security Trustee or the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. None of the Note Trustee, the Issuer Security Trustee or 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.

None of the Note Trustee, the Issuer Security Trustee or 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.

The Bank of New York Mellon, London Branch, (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

### **13. REPLACEMENT OF NOTES**

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **14.1 Publication of Notice**

Any notice to Noteholders shall be validly given if such notice is:

- (a) published on the Relevant Screen; and
- (b) for so long as the Notes are admitted to trading on the main market of the London Stock Exchange and listed on the official list of the Financial Conduct Authority, (i) published by delivery to the applicable clearing system, or (ii) any notice shall also be published in accordance with the relevant listing rules and regulations.

## 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 on the Relevant Screen on which publication is required, or, in the case of notices provided pursuant to **Condition 14.1(b)(i) above**, on the same day that such notice was delivered.

## 14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes held within the DTC system) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes and Rule 144A Notes held under the NSS) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

## 14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## 15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

## 16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

## 17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of Clause 2 (Interpretation and Construction) of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**€STR** means the Euro Short-Term Rate;

**€STR Administrator** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**€STR Index** has the meaning given to it in Condition 4.2(b) (Screen rate determination for Floating Rate Notes);

**Accession Agreement** means, in respect of the Issuer Master Definitions and Construction Schedule (as defined below) an agreement pursuant to which a company agrees to become a party to the Issuer Master Definitions and Construction Schedule;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time (being The Bank of New York Mellon, London Branch, 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);

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account 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);

**Accrual Yield** means, in respect of any Series and Class (or Sub-Class) of Notes, the yield specified as such for such Notes in the relevant Final Terms;

**Additional Business Centre** means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Agent Bank** means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;



**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

**Broken Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Bullet Redemption Notes** means any Series and Class (or Sub-Class) of Notes which is scheduled to be repaid in full on one Interest Payment Date;

**Business Day** has the meaning set forth in **Condition 4.6** and, if (i) the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" and (ii) a SOFR Index Cessation Effective Date has not occurred, a U.S. Government Securities Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated 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** or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

**Class A Noteholders** means the Holders of the Class A Notes;

**Class A Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Noteholders** means the Holders of the Class B Notes;

**Class B Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Noteholders** means the Holders of the Class C Notes;

**Class C Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Noteholders** means the Holders of the Class D Notes;

**Class D Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Noteholders** means the Holders of the Class M Notes;

**Class M Notes** means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Noteholders** means the Holders of the Class Z Notes;

**Class Z Notes** means Notes designated as such in the applicable Final Terms including the Class Z Variable Funding Notes;

**Class Z Variable Funding Noteholders** means the Holders for the time being of the Class Z Variable Funding Notes;

**Class Z Variable Funding Notes** means Class Z Notes which are designated as Class Z Variable Funding Notes in the applicable Final Terms;

**Clearstream, Luxembourg** means Clearstream Banking,

**Closing Date** has the meaning given to it in the applicable Final Terms;

**Conditional Purchaser** means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

**Conditional Purchaser Confirmation** means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

**Definitive Notes** means the Notes while in definitive form;

**Corporate Services Agreement** means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means CSC Management Services (UK) Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

**Dealers** means the institutions named as such in the applicable Final Terms relating to any Series and Class of Notes;

**Definitive Notes** means the Notes while in definitive form;

**Designated Account** means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

**Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

**Designated Source** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes), in each case in respect of SONIA, SOFR or €STR, as applicable;

**Determination Date** means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

**Dollars, U.S. Dollars or \$** means the lawful currency for the time being of the United States of America;

**DTC** means The Depository Trust Company;

**EURIBOR** means the Euro inter-bank offered rate as determined, with respect to any Notes which are Floating Rate Notes, by the Agent Bank in accordance with these Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms;

**Euro, euro or €** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time;

**Euroclear** means Euroclear SA/NV;

**Existing Rating Agency Reappointment** has the meaning given to it in **Condition 11.5**;

**Existing Rating Agency Removal** has the meaning given to it in **Condition 11.5**;

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the base prospectus in relation to such Series of Notes;

**Fixed Coupon Amount** means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

**Funding 1** means Fosse Funding (No.1) Limited;

**Funding 1 Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between Santander UK in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated from time to time and as further amended and restated on or about the date hereof, pursuant to which amendment and restatement The Bank of New York Mellon, London Branch, acceded as Account Bank A and Santander UK acceded to its role as Account Bank B which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Funding 1 GIC Account** means the account in the name of Funding 1 held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding 1 Interest Payment Date** means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Loan Agreement** means the Funding 1 loan agreement entered into on or about the date hereof between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee;

**Funding 1 Loan Provider** means Santander UK;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, Account Bank A, Account Bank B, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

**Funding 1 Security** means the security created under the Funding 1 Deed of Charge;

**Funding 1 Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreements** means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee, each other start-up loan agreement entered into in connection with the issuance of a Series of Notes and the Extraordinary Payment Holiday Start-up Loan Agreement (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated 29 July 2020 and made between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the Funding 1 Swaps;

**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 Swaps** means any swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker loans (as applicable) and a compounded daily SONIA rate;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Global Notes** means the Rule 144A Global Notes and the Reg S Global Notes;

**Help to Buy Loans** means loans which meet the criteria published by the Homes and Communities Agency (or, in relation to Scottish loans, the Scottish Government) from time to time;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU;

**Increase Amount** has the meaning given to that term in **Condition 5.9(a)(i)**;

**Increase Date** has the meaning given to that term in **Condition 5.9**;

**Index Cessation Effective Date** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Index Cessation Event** has the meaning given to it in **Condition 4.2(b)** (Screen rate determination for Floating Rate Notes);

**Initial Closing Date** means 28 November 2006;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Agreement** means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Interest Period** means in relation to a series and class of Notes (i) with respect to the first interest payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first interest payment date, and (ii) thereafter, with respect to each interest payment date, the period from and including the preceding interest payment date to (but excluding) that interest payment date; and in respect of a loan tranche, (i) with respect to the first Funding 1 payment date, the period from (and including) the applicable interest commencement date to (but excluding) such first Funding 1 payment date, and (ii) thereafter, the period from and including the preceding Funding 1 payment date to (but excluding) that Funding 1 payment date;

**Interest Commencement Date** means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

**Interest Determination Date** means, in respect of a Series and Class of Notes, the date specified as such in the applicable Final Terms;

**Interest Payment Date** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

**Issuer** means Fosse Master Issuer plc;

**Issuer Account Bank** means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

**Issuer Bank Accounts** means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

**Issuer Bank Account Agreement** means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Management Agreement** means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Cash Manager** means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

**Issuer Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

**Issuer Corporate Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Corporate Services Provider** means CSC Management Services (UK) Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

**Issuer Deed of Charge** means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the schedule signed on or about the Initial Closing Date, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time and includes any and all Accession Agreements;

**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 Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

**Issuer Security** means the security created by the Issuer pursuant to the Issuer Deed of Charge;

**Issuer Security Trustee** means The Bank of New York Mellon, London Branch, and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Swap Agreement** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Providers** means Santander UK or the institution(s) identified in respect of each Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

**Issue Terms** means, in relation to any Series of Non-LSE Listed Notes, the issue terms issued in relation to such Series of Non-LSE Listed Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Non-LSE Listed Notes;

**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 Tranche** means an advance made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, funded from proceeds received by the Issuer from the issue of a Series and Class of Notes or the Class Z Variable Funding Notes, as applicable;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Mandatory Transfer Date** means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

**Mandatory Transfer Price** means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

**Mandatory Transfer Termination Event** shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

**Managers** means the entities specified as such in the applicable Final Terms;

**Margin** means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

**Maximum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Maximum Reset Margin** means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

**Minimum Rate of Interest** means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

**Money Market Notes** means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

**Monthly Dates** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Interest Payment Dates** means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between the seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Deed** means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee** means, on and from 29 April 2016, Fosse Trustee (UK) Limited (registered number 07210492), a private company with limited liability incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, and prior to 29 April 2016, Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being initially Alliance & Leicester and currently Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

**Mortgages Trustee Corporate Services Agreement** means the agreement entered into on 29 April 2016 among, *inter alios*, the Mortgages Trustee Corporate Services Provider, the Mortgages Trustee and the Funding 1 Security Trustee, for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Provider** means CSC Management Services (UK) Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-LSE Listed Notes** means any Notes listed and/or traded on any exchange other than the London Stock Exchange;

**Note Event of Default** means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

**Noteholders** means the holders for the time being of the Notes;

**Notes** means any Global Notes or Definitive Notes;

**Note Trust Deed** means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**Note Trustee** means The Bank of New York Mellon, London Branch, and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

**NSS** means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list of securities maintained by the London Stock Exchange;

**Pass-Through Trigger Event** means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

**Paying Agent and Agent Bank Agreement** means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Paying Agents** means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

**Principal Amount Outstanding** has the meaning indicated in **Condition 5.3**;

**Principal Paying Agent** means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Quarter Dates** means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or



- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly Interest Payment Dates** means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

**Rate of Interest** and **Rates of Interest** means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

**Rating Agencies** means, in relation to a Series and Class (or Sub-Class) of Notes, two or more of Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd., as specified in the applicable Final Terms;

**Ratings Modification Event** has the meaning given to it in **Condition 11.5**;

**Reference Price** means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

**Reference Rate** means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

**Reg S** means Regulation S under the United States Securities Act of 1933, as amended;

**Reg S Notes** means each Series and Class of Notes constituted by the Note Trust Deed that are sold outside the United States to non-U.S. persons in reliance on Reg S;

**Reg S Global Notes** means the note certificates representing the Reg S Notes while in global form;

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

**Registrar** means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

**Relevant Screen** means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

**Relevant Screen Page** means, in respect of any Series and Class of Notes where the Reference Rate is EURIBOR, the screen page specified as such for such Notes in the applicable Final Terms;

**Remarketing Agent** means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

**Remarketing Agreement** means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Remarketable Notes** means any Series and Class of Notes identified as such in the applicable Final Terms;

**Removed Rating Agency** has the meaning given to it in **Condition 11.5**;

**Repayment Tests** means Rules 1 and 2 under the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in the Funding 1 Deed of Charge;

**Reset Margin** means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

**Reset Period** means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

**Rule 144A Global Notes** means the note certificates representing the Rule 144A Notes while in global form;

**Rule 144A Notes** means each Series and Class of Notes constituted by the Note Trust Deed which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

**Santander UK** means Santander UK plc (registered number 02294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

**Scottish Declaration of Trust** means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Scottish Loan** means a Loan secured by a standard security over a Property located in Scotland;

**Security Trustee** means The Bank of New York Mellon, London Branch or such other persons and all other persons for the time being acting as security trustee pursuant to the Funding 1 Deed of Charge;

**Seller** means Santander UK;

**Series** means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

**Series and Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the portfolio pursuant to the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the portfolio (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**SOFR** means Secured Overnight Financing Rate;

**SOFR Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SOFR Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Administrator** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA Index** has the meaning given to it in **Condition 4.2(b)** (*Screen rate determination for Floating Rate Notes*);

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**Specified Currency** means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

**Specified Currency Exchange Rate** means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

**Specified Denomination** means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 or such other amount specified in the applicable Final Terms if denominated in sterling or €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

**Specified Office** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

**Specified Time** has the meaning given in **Condition 4.2(b)**;

**Step-Up Date** means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

**Sterling, pounds sterling or £** means the lawful currency for the time being of the United Kingdom;

**Sterling Notes** means each Series and Class of Notes denominated in Sterling;

**Sub-Class** means any sub-class of a Series and Class of Notes;

**Subscription Agreement** means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

**TARGET Business Day** means a day on which the T2 system is open for the settlement of payments in euro;

**Tender Agent** means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the controlling beneficiary deed, the Funding 1 Deed of Charge, each Deed of Accession to the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Loan Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Deed of Accession to the Issuer Deed of Charge, the Master Definitions and Construction Schedule, the Issuer Bank

Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

**Transfer Agent** means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

**Trust Deed** means the trust deed entered into on the Programme Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**U.S. Paying Agent** means Citibank, N.A. acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.