

## 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.