

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 Master Issuer Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the issuing entity (referred to in these Conditions as the **Master Issuer**) and the relevant Dealer(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 Master 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 Master Issuer Notes are constituted by the Trust Deed. The security for the Master Issuer Notes is created pursuant to, and on the terms set out in, the Master 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 Master Issuer Notes.

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

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

References hereinafter to the Noteholders shall, unless the context otherwise requires, be references to all the Noteholders.

Master Issuer Notes constituted by the Trust Deed are issued in series (each a **Series**) and each Series comprises one or more Classes (or Sub-Classes) of Master Issuer Notes. Each Series of Master Issuer Notes is subject to Final Terms. The Final Terms in relation to each Series and Class (or Sub-Class) of Master Issuer Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Master Issuer Notes and will complete these Conditions in respect of such Master Issuer Notes. References to the **relevant Final Terms** are, in relation to a Series and Class (or Sub-Class) of Master Issuer Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Master Issuer Notes.

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

Copies of the Trust Deed, the Master Issuer Deed of Charge, the Master Issuer Paying Agent and Agent Bank Agreement and each of the other Master Issuer Transaction Documents are available for inspection during normal business hours at the head office for the time being of (a) the Principal Paying Agent, being at the date hereof One Canada Square, London E14 5AL and (b) the U.S. Paying Agent, being at the date hereof 101 Barclay Street, New York, NY 10286. Copies of the Final Terms of each Series of Master Issuer Notes are obtainable by Noteholders during normal business hours at the registered office of the Master 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 Master Issuer Notes and identity.

The Holders of any Series and Class (or Sub-Class) of Master Issuer 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 Trust Deed, the Master Issuer Deed of Charge, the Master Issuer Paying Agent and Agent Bank Agreement, each of the other Master Issuer Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class (or Sub-Class) of Master Issuer Notes.

A glossary of definitions appears in **Condition 13.4**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Master Issuer Notes of all Series of the applicable Class and shall include the holders of any Further Master Issuer Notes issued pursuant to Condition 13.1 (*Issuance of Further Master Issuer Notes*) and the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class Z Noteholders shall be construed accordingly.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes and the Class Z Notes shall, in each case and unless specified otherwise, be references to the Master Issuer Notes of all Series of the applicable Class and shall include any Further Master Issuer Notes issued pursuant to Condition 13.1 (*Issuance of Further Master Issuer Notes*) forming a single series with the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class Z Notes, as the case may be.

1. Form, Denomination and Title

1.1 Form and Denomination

The U.S. 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 (or Sub-Class) of Master Issuer Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class (or Sub-Class) of Master Issuer Notes will be initially represented either (i) by one or more Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class (or Sub-Class) of notes, or (ii) by one or more registered Definitive Notes, which, in aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class (or Sub-Class) of notes.

Each Reg S Global Note will be deposited with, and registered in the name of a nominee of, a common depository (or, with respect to notes in NSS form, a common safekeeper) for Euroclear and Clearstream, Luxembourg. Each U.S. Global Note will be either (i) deposited with a custodian for, and registered in the name of Cede & Co., as nominee of DTC (or such other name as may be requested by an authorised representative of DTC) or (ii) deposited with, and registered in the name of a nominee of, a common depository (or, with respect to notes in NSS form, a common safekeeper) for Euroclear and Clearstream Luxembourg. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class (or Sub-Class) of Master Issuer Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Money Market Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class (or Sub-Class) of Master Issuer 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 Master Issuer 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 Master Issuer Notes (in either global or definitive form) will be issued in such denominations as are specified in the relevant Final Terms, save that the minimum denomination of each Master Issuer Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each U.S. dollar denominated Master Issuer 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 Master Issuer Notes), each euro denominated Master Issuer 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 (or its equivalent in any other currency as at the date of issue of such Master Issuer Notes) and each sterling denominated Master Issuer 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 (or its equivalent in any other currency as at the date of issue of such notes).

In the case of a Series and Class (or Sub-Class) of Master Issuer Notes with more than one Specified Denomination, Master Issuer Notes of one Specified Denomination may not be exchanged for Master Issuer Notes of such Series and Class (or Sub-Class) of another Specified Denomination.

Each Class Z Variable Funding Note shall be issued with a minimum denomination of at least £10,000,000.

1.2 Register

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

1.3 Title

The Holder of each Master Issuer Note shall (to the fullest extent permitted by applicable law) be treated by the Master Issuer, the Note Trustee, the Master 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

- (a) Title to the Master Issuer Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Master Issuer Note may be transferred upon surrender of the relevant note certificate, 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 Master Issuer Note may only be transferred in the minimum denominations specified in the relevant Final Terms. Where not all the Master Issuer Notes represented by the surrendered note certificate are the subject of the transfer, a new note certificate in respect of the balance of the Master Issuer Notes will be issued to the transferor.

Within five Business Days of such surrender of a note certificate, the Registrar will register the transfer in question and deliver a new note certificate of a like principal amount to the Master Issuer 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 Master Issuer Note will be effected without charge by or on behalf of the Master Issuer, the Registrar or any Transfer Agent, but against such indemnity as the Registrar or (as the case may be) any Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

Noteholders may not require transfers of Master Issuer 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 Master Issuer Notes.

All transfers of Master Issuer Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Master Issuer Notes scheduled to the Master Issuer Paying Agent and Agent Bank Agreement. The regulations may be changed by the Master 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.

- (b) 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 holder of the Class Z Variable Funding Note unless (i) the prior written consent of the Master 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 Master Issuer that it is (A) a person falling within paragraph 3(1) of Schedule 2A to the Insolvency Act 1986, (B) an independent person in relation to the Master Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006 and (C) a Qualifying Noteholder. The Master Issuer 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.

2. Status, Priority and Security

2.1 Status

The Master Issuer Notes of each Series and Class (or Sub-Class) are direct, secured and unconditional obligations of the Master Issuer and are all secured by the same Master Issuer Security (created by the Master Issuer Deed of Charge).

Subject to the provisions of **Conditions 5** and **6** and subject to the other payment conditions set out in the applicable Final Terms and the other Master Issuer Transaction Documents:

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

- (e) 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.

3. Conflict between the classes of Master Issuer Notes

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

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

The Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class 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 12, the Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class Z Noteholders in each case, of any Series, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders and the Class 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 12, the Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders and the Class Z Noteholders, in each case, of any Series, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C 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 12, the Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders and the Class Z Noteholders in each case, of any Series, irrespective of the effect thereof on their interests; and

- (iv) 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 C Noteholders of that Series or of any other Series. Except in certain circumstances described above and in Condition 12, the Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class Z Noteholders of any Series, irrespective of the effect thereof on their respective interests.

Notwithstanding that none of the Note Trustee, the Master 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 Master Issuer Security Trustee pursuant to this Condition 3, the Note Trustee and the Master Issuer Security Trustee shall each 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 Master Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any series and/or class thereof) if the Rating Agencies have confirmed that the then current ratings of the applicable series and/or class or classes of Master Issuer Notes would not be adversely affected 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 Master Issuer Notes would not be adversely affected, it is expressly agreed and acknowledged by the Note Trustee and the Master 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 Master Issuer Security Trustee, the Noteholders or any other person or create any legal relations between the Rating Agencies and the Note Trustee, the Master Issuer Security Trustee, the Noteholders or any other person whether by way of contract or otherwise.

As security for, *inter alia*, the payment of all monies payable in respect of the Master Issuer Notes, the Master Issuer has entered into the Master Issuer Deed of Charge creating, *inter alia*, the Master Issuer Security in favour of the Master Issuer Security Trustee for itself and on trust for the Noteholders and the other persons expressed to be secured parties under the Master Issuer Deed of Charge (the **Master Issuer Secured Creditors**).

4. Covenants

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

4.1 **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;

4.2 **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;

4.3 Equitable and Beneficial Interest

permit any person other than itself and the Master Issuer Security Trustee (as to itself and on behalf of the Master 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;

4.4 Bank Accounts

have an interest in any bank account, other than the bank accounts maintained pursuant to the Master Issuer Bank Account Agreement, the Master Issuer Cash Management Agreement or any other Master Issuer Transaction Document, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Master Issuer Security Trustee pursuant to the Master Issuer Deed of Charge;

4.5 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 Master Issuer Notes and the related activities described therein;

4.6 Borrowings

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

4.7 Merger

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

4.8 Waiver or Consent

permit the validity or effectiveness of any of the Trust Deed or the Master 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 Master Issuer Security to be released from such obligations;

4.9 Employees or Premises

have any employees or premises or subsidiaries;

4.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders or issue any further shares;

4.11 Purchase Master Issuer Notes

purchase or otherwise acquire any Master Issuer Notes; or

4.12 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.

5. Interest

5.1 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 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 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.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 5.1**:

- (a) if "Actual/Actual (ICMA)" is specified for such note in the applicable Final Terms:
 - (i) in the case of Master Issuer 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 Master Issuer 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).

5.2 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. 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 a Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

- (iv) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (v) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the **TARGET System**) is open.

(b) Rate of interest

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

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified for such note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i),

ISDA Rate for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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

(ii) Screen rate determination for Floating Rate Notes

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. London time (in the case of LIBOR, USD-LIBOR or JPY-LIBOR), 10.15 a.m. Toronto time (in the case of CDOR), 11.00 a.m. Brussels time (in the case of EURIBOR) or 10:10 a.m. Sydney time (in the case of AUD-BBR-BBSW) (the **Specified Time**) on the 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 Master Issuer suitable for the purpose) informs the Agent Bank it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR, USD-LIBOR or JPY-LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Canadian inter-bank market (if the Reference Rate is CDOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest.

(c) *Minimum rate of interest and/or maximum rate of interest*

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

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

(d) *Determination of rate of interest and calculation of interest amounts*

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

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination (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 Master Issuer 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.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 5.2(d)** for any Interest Period:

- (i) if **Actual/365** or **Actual/Actual (ISDA)** is specified for such note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 (Fixed)** is specified for such 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 a Interest Payment Date falling in a leap year, 366;

- (iv) if **Actual/360** is specified for such note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if **30/360, 360/360** or **Bond Basis** is specified for such note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if **30E/360** or **Eurobond Basis** is specified for such note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) *Notification of rate of interest and interest amounts*

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Master Issuer Security Trustee, the Master 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 12.10** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with **Condition 12.10**.

(f) *Determination or calculation by Note Trustee*

If for any reason at any relevant time, the Agent Bank or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such note in accordance with **subparagraph (b)(i) or (ii)** above or as otherwise specified for such note in the applicable Final Terms, as the case may be, and in each case in accordance with **Condition 5.2(d)** above, the Note Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 5.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Master Issuer, the Master 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 Master 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.

5.3 **Accrual of interest**

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

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

5.4 **Deferred interest**

To the extent that, subject to and in accordance with the relevant Master Issuer Priority of Payments, the funds available to the Master Issuer to pay interest on any Series and Class (or Sub-Class) of Master Issuer Notes (other than the most senior Class (or Sub-Class) of Master Issuer Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Master 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 (or Sub-Class) of Master Issuer 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 Master Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Master 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 (or Sub-Class) of Master Issuer 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 Master Issuer's liabilities of a higher priority subject to and in accordance with the relevant Master Issuer Priority of Payments) to the Master 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 (or Sub-Class) of Master Issuer 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 Master Issuer Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Enforcement Notice (as described in **Condition 10**), the amount of interest in respect of such Master Issuer 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 Trust Deed.

5.5 **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 6.10** 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 5.2** as if references in **Condition 5.2** 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 5.2** above.

6. Redemption, Purchase and Cancellation

6.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 6**, the Master Issuer shall redeem a Series and Class (or Sub-Class) of Master Issuer Notes at their then Principal Amount Outstanding together with all accrued interest on the Final Maturity Date in respect of such Series and Class (or Sub-Class) of Master Issuer Notes.

The Master Issuer may not redeem such notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 6.2, 6.4 or 6.5**, but without prejudice to **Condition 10**.

6.2 Mandatory Redemption

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class (or Sub-Class) of Master Issuer Notes are to be redeemed under **Condition 6.1 above**, and **Conditions 6.4 and 6.5 below** and the Master Issuer shall repay principal in respect of such notes in an amount equal to the amount (if any) repaid on such Interest Payment Date in respect of the related Term Advance, and pursuant to, the Master 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 Master Issuer to repay the amount due to be paid on such Interest Payment Date the Master Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Master Issuer Deed of Charge and the Master Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such notes.

6.3 Note Principal Payments, Principal Amount Outstanding and Pool Factor

The principal amount redeemable (the **Note Principal Payment**) in respect of each Master Issuer Note of a particular Series and Class (or Sub-Class) on any Interest Payment Date under **Condition 6.2** shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class (or Sub-Class) of Master Issuer Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Master Issuer Note bears to the aggregate Principal Amount Outstanding of such Series and Class (or Sub-Class) of Master Issuer 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 Master Issuer Note.

On each Note Determination Date the Master Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Master Issuer Note of the relevant Series and Class (or Sub-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 Note Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of such note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Master Issuer of Note Principal Payment of a Master Issuer Note, the Principal Amount Outstanding of a Master Issuer 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 Master 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 (or Sub-Class) of Master Issuer 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 Note Determination Date, to the Note Trustee, the Master Issuer Security Trustee, the Paying Agents, the Agent Bank, the Registrar 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 12.10** by no later than the Business Day after the relevant Interest Payment Date.

If the Master Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 6.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 6.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 6.3**, and each such determination or calculation shall be deemed to have been made by the Master Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Master Issuer, the Agent Bank and the Noteholders.

6.4 Optional Redemption in Full

Provided a Note Enforcement Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice to the Note Trustee, the Noteholders and the relevant Master Issuer Swap Provider(s) in accordance with **Condition 12.10**, the Master Issuer may redeem a Series and Class (or Sub-Class) of Master Issuer Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

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

PROVIDED THAT (in either of the cases above), on or prior to giving any such notice, the Master Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Master 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 Master Issuer Deed of Charge and the Master 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 in which event it shall be conclusive and binding on the Noteholders and all other persons.

6.5 Optional Redemption for Tax and other Reasons

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

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

then the Master 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 Term Advance as the case may be, upon the Note Trustee being satisfied that (1) such substitution will not be materially prejudicial to the interests of the Noteholders of any Series and Class, and (2) upon the Master Issuer Security Trustee being satisfied that (A) the position of the Master Issuer Secured Creditors will not thereby be adversely affected, 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. Only if the Master Issuer is unable to arrange a substitution will the Master Issuer be entitled to redeem the Master Issuer Notes as described in this **Condition 6.5**.

Subject to the proviso below, if the Master Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) and (b) above (as the case may be) is continuing, then the Master Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee, the Noteholders and the relevant Master Issuer Swap Provider(s) in accordance with **Condition 12.10**, 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 Master Issuer shall have provided to the Note Trustee:

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

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

In addition to the foregoing, if, at any time, the Master Issuer delivers a certificate to Funding, the Note Trustee and the Master Issuer Security Trustee to the effect that it would be unlawful for the Master Issuer to make, fund or allow to remain outstanding a Term Advance made by it under the Master Intercompany Loan Agreement and stating that the Master Issuer may require Funding to prepay the relevant Term Advance on an Interest Payment Date subject to and in accordance with the provisions of the Master Intercompany Loan Agreement to the extent necessary to cure such illegality and the Master Issuer may redeem all (but not some only) of the relevant Master Issuer Notes at their Redemption Amount together with any accrued interest upon giving not more than 60 days' nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Master Issuer Security Trustee, the Note Trustee, the relevant Master Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 12.10** provided that, prior to giving any such notice, the Master Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Master Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the Master Issuer Notes as provided above and any amount to be paid in priority to or *pari passu* with the Master Issuer Notes and the Note Trustee shall be entitled to accept such certificate as sufficient evidence thereof in which event it shall be conclusive and binding on the Noteholders and all other persons. Such monies received by the Master Issuer shall be used to redeem the relevant Master Issuer Notes in full, together with any accrued and unpaid interest on the equivalent Interest Payment Date.

6.6 Redemption Amounts

For the purposes of this **Condition 6.6, Redemption Amount** means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the amount specified in relation to such notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Master Issuer 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:

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

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 (or Sub-Class) of Master Issuer 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 6.1, 6.2, 6.4 or 6.5 or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such note shall be the amount calculated as provided in this paragraph 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 12.9**.

6.7 Money Market Note Mandatory Transfer

- (a) If remarketing arrangements are specified as applicable in the relevant Final Terms in relation to a Series and Class (or Sub-Class) of Money Market Notes, such Money Market Notes shall, subject to paragraph (c) below, be transferred in accordance with paragraph (b) below on each Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event, as confirmed by the Remarketing Bank providing a Conditional Purchase Confirmation to the Master Issuer and the Principal Paying Agent, in exchange for payment of the Transfer Price and the Master Issuer and the Principal Paying Agent will procure payment of the Transfer Price to the Noteholders of the Money Market Notes on the relevant Transfer Date.
- (b) Subject to paragraphs (a) above and (c) below, all the interests of the Noteholders of the Money Market Notes in the Money Market Notes shall be transferred on the relevant Transfer Date to the account of the Remarketing Bank on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Bank prior to such date or if Money Market Notes in definitive form are then issued, the Money Market Notes will be registered in the name of the Remarketing Bank or as otherwise notified by or on behalf of the Remarketing Bank by the Registrar and the Register will be amended accordingly with effect from the relevant Transfer Date.

- (c) Any Noteholder of a Money Market Note may exercise his right to retain such Money Market Note through the facilities of DTC at any time prior to the commencement of the Remarketing Period that ends immediately before the relevant Transfer Date.

6.8 Optional Purchase

- (a) If specified in the relevant Final Terms, Santander UK has the right (the **Purchase Option**), by delivering a notice to the relevant Noteholders, the Registrar and the Note Trustee pursuant to the Santander UK Optional Purchase Agreement, to require the relevant Noteholders, subject to and in accordance with any applicable conditions specified in the relevant Final Terms, to sell to Santander UK or otherwise allow Santander UK to be substituted as the Holder of all, but not some only, of the Class B Notes and/or the Class M Notes and/or the Class C Notes and/or the Class Z Notes as so specified (collectively the **Called Notes**) on any Interest Payment Date (prior to the date specified in the Final Terms (the **Final Purchase Date**) or such later date as may be permitted by the UKLA) falling on or after the Interest Payment Date (the **Initial Purchase Date**) specified in the applicable Final Terms (if any) for a price equal to the aggregate redemption amount of any of the Called Notes, together with any accrued and unpaid interest on the Called Notes and, on the date therefor specified in the notice (being an Interest Payment Date falling on or after the Initial Purchase Date), the Registrar shall effect the transfer to Santander UK of such Called Notes by entering such transfer in the Register.
- (b) Immediately after such transfer or substitution of Santander UK as the Holder of the Called Notes, each former Holder of the Called Notes shall cease to have any interest in the Called Notes.
- (c) The Called Notes transferred to Santander UK pursuant to the Purchase Option shall, subject as provided in the Transaction Documents, remain outstanding until the date on which they would otherwise be redeemed or cancelled in accordance with their terms and conditions.
- (d) By subscribing to or purchasing the Called Notes, each Holder of the Called Notes (i) is deemed to have notice of and be bound by the provisions of the Santander UK Optional Purchase Agreement and (ii) directs, authorises and requests the Note Trustee to enter into the Santander UK Optional Purchase Agreement. Each Holder of Called Notes also irrevocably authorises and instructs the Master Issuer, the Registrar, DTC, Euroclear or, as the case may be, Clearstream, Luxembourg to effect the transfer of its Called Notes on the relevant Interest Payment Date to Santander UK, in accordance with the relevant Final Terms and the rules for the time being of DTC, Euroclear or, as the case may be, Clearstream, Luxembourg.

6.9 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 12.10**, the Master 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 Master Issuer Notes in the applicable Final Terms and on any Interest Payment Date for such Master Issuer Notes thereafter, PROVIDED THAT on or prior to giving any such notice, the Master Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Master Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Master Issuer Notes as aforesaid and any amounts required to be paid in priority to or pari passu with such Master Issuer Notes in accordance with the terms and conditions of the Master Issuer Deed of Charge and the Master 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 further enquiry or investigation and without liability to any person in which event it shall be conclusive and binding on the Noteholders and all other persons. Such optional redemption will be reflected in the records of Euroclear and Clearstream, Luxembourg as either a Pool Factor or a reduction in nominal amount, at their discretion.

6.10 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 Master Issuer, the Registrar and the Master 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 Master Issuer Transaction Account or such other account as the Master Issuer (or the Master Issuer Cash Manager) may direct from time to time).

The Master Issuer undertakes to lend the proceeds of the Increase Amount to Funding by way of an increase in the size of the relevant NR VFN Term Advance.

7. Payments

7.1 Presentation of Master Issuer Notes

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 Master Issuer 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 7.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender of the relevant Master Issuer 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 Master Issuer 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 7.7**), 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 of the relevant Master Issuer Note at the Specified Office of any Paying Agent.

7.2 Laws and Regulations

Payments of principal and interest in respect of the Master Issuer Notes are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. Noteholders will not be charged commissions or expenses on payments.

7.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Master Issuer Note or part thereof, the interest which continues to accrue in respect of such Master Issuer Note in accordance with **Condition 5** will be paid in accordance with this **Condition 7**.

7.4 Change of Paying Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the Paying Agents are listed in these Conditions. The Master 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 Master 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 Trust Deed, the Master 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 12.10** and will notify the Rating Agencies of such change or addition.

7.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Master Issuer 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 Master Issuer 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 7.5** arriving after the due date for payment or being lost in the mail.

7.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Master Issuer Note, the Master 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 Master Issuer Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Master Issuer Note.

7.7 Record Date

Each payment in respect of a Master Issuer Note will be made to the persons shown as the Holder in the Register (i) where the Master Issuer 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, (ii) where the Master Issuer Note is 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**).

7.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Master Issuer 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 7.1**, 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 12.10**.

8. Prescription

Claims against the Master Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Master Issuer Notes are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Master Issuer Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 8**, the **relevant date**, in respect of a payment under a Master Issuer 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 Master Issuer Notes due on or before that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to Noteholders in accordance with **Condition 12.10**.

9. Taxation

All payments in respect of the Master Issuer 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 Master Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Master Issuer Notes subject to any such withholding or deduction. In that event, the Master 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. No Paying Agent nor the Master Issuer will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

10. Events of Default

10.1 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 then outstanding (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 10.1** means the Class A Notes of all Series constituted by the 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 Enforcement Notice**) to the Master Issuer, the Master Issuer Security Trustee and the Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Master Issuer 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 (each a **Note Event of Default**) 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 Master Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Trust Deed, the Master Issuer Deed of Charge or any other Master Issuer 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 Master 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 Master 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 Master 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 that section may be 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 Master 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 Master Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation for 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 Master Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Master Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Master 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 Master 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 Master 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 any of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if a Master Intercompany Loan Enforcement Notice is served under the Master Intercompany Loan Agreement, while the Class A Notes of any Series are outstanding.

10.2 Class B Noteholders

This **Condition 10.2** 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 of any Series 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 then outstanding (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 10.2** means the Class B Notes of all Series constituted by the 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 being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Class B Note Enforcement Notice**) to the Master Issuer, the Master Issuer Security Trustee and the Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class B Notes and all other Master Issuer 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 10.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 10.1(b), Condition 10.1(d) and Condition 10.1(f)** to Class A Notes shall be read as references to Class B Notes.

10.3 Class M Noteholders

This **Condition 10.3** shall have no effect if, and for as long as, any Class A Notes or any 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 then outstanding (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 10.3** means the Class M Notes of all Series constituted by the 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 being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Class M Note Enforcement Notice**) to the Master Issuer, the Master Issuer Security Trustee and the Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class M Notes and all other Master Issuer 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 10.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 10.1(b), Condition 10.1(d) and Condition 10.1(f)** to Class A Notes shall be read as references to Class M Notes.

10.4 Class C Noteholders

This **Condition 10.4** shall have no effect if, and for as long as, any Class A Notes, any Class B Notes or any 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 then outstanding (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 10.4** means the Class C Notes of all Series constituted by the 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 being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Class C Note Enforcement Notice**) to the Master Issuer, the Master Issuer Security Trustee and the Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class C Notes and all other Master Issuer 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 10.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 10.1(b), Condition 10.1(d) and Condition 10.1(f)** to Class A Notes shall be read as references to Class C Notes.

10.5 Class Z Noteholders

This **Condition 10.5** shall have no effect if, and for as long as, any Class A Notes, any Class B Notes, any Class M Notes or any Class C 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 then outstanding (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 10.5** means the Class Z Notes of all Series constituted by the 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 being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Class Z Note Enforcement Notice**) to the Master Issuer, the Master Issuer Security Trustee and the Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class Z Notes and all other Master Issuer 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 10.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 10.1(b), Condition 10.1(d) and Condition 10.1(f)** to Class A Notes shall be read as references to Class Z Notes.

10.6 Following Service of a Note Enforcement Notice

In these Conditions, a **Note Enforcement Notice** means any of the Class A Note Enforcement Notice, the Class B Note Enforcement Notice, the Class M Note Enforcement Notice, the Class C Note Enforcement Notice and the Class Z Note Enforcement Notice. For the avoidance of doubt, upon any Note Enforcement Notice being given by the Note Trustee in accordance with **Conditions 10.1, 10.2, 10.3, 10.4 or 10.5 above**, all the Master Issuer Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest (or, in the case of Zero Coupon Note, at its Redemption Amount calculated in accordance with **Condition 6.6**).

11. Enforcement of Master Issuer Notes

11.1 Enforcement

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 Master Issuer or any other person as it may think fit to enforce the provisions of the Master Issuer Notes, the Trust Deed (including these Conditions) or any of the other Master Issuer Transaction Documents to which it is a party and the Note Trustee may, at its discretion without notice, at any time after the Master Issuer Security has become enforceable (including after the service of a Note Enforcement Notice in accordance with **Condition 10**), instruct the Master Issuer Security Trustee to take such steps as it may think fit to enforce the Master 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 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 and the Class Z Noteholders (which for this purpose means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes and the Class Z Notes (as applicable) of all Series then outstanding; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

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

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

No Noteholder shall be entitled to proceed directly against the Master Issuer unless the Note Trustee or the Master Issuer Security Trustee (as the applicable), having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Class B Noteholder, Class M Noteholder, Class C Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding-up or administration of the Master Issuer at any time unless:

- there are no outstanding Master Issuer Notes of a Class with higher priority; or
- if Master Issuer Notes of a Class with higher priority are outstanding, there is consent of Noteholders of at least one quarter of the aggregate Principal Amount Outstanding of the Master Issuer Notes outstanding of the Class or Classes of Master Issuer Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Master Issuer Notes.

Notwithstanding any other condition or any provision of any Transaction Document, all obligations of the Master Issuer to the Noteholders are limited in recourse to the Master Issuer Security. If:

- there is no Master Issuer Security remaining which is capable of being realised or otherwise converted into cash;

- all amounts available from the Master Issuer Security have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Master Issuer Deed of Charge; and
- there are insufficient amounts available from the Master Issuer Security to pay in full, in accordance with the provisions of the Master Issuer Deed of Charge, amounts outstanding under the Master Issuer Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Master 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 Master Issuer Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

12. Meetings of Noteholders, Modifications and Waiver

12.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders of any Series and Class (or Sub-Class) 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 Master Issuer Transaction Documents.

(a) *Class A Notes*

In respect of the Class A Notes, the Trust Deed provides that, subject to **Condition 12.2**:

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

In the case of a single meeting of the Holders of the Class A Notes of any two or more Sub-Classes or Series (as the case may be) which are not all denominated in the same currency, the Principal Amount Outstanding of any Class A Note denominated in a currency other than sterling shall be converted into sterling at the relevant swap rate.

The Trust Deed contains provisions similar to those in the preceding two paragraphs in relation to requests in writing from Class A Noteholders upon which the Note Trustee or, as the case may be, the Master Issuer Security Trustee is bound to act.

(b) *Class B Notes*

In respect of the Class B Notes, the Trust Deed provides that, subject to **Condition 12.2**:

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

In the case of a single meeting of the Holders of the Class B Notes of any two or more Sub-Classes or Series (as the case may be) which are not all denominated in the same currency, the Principal Amount Outstanding of any Class B Note denominated in a currency other than sterling shall be converted into sterling at the relevant swap rate.

The Trust Deed contains provisions similar to those in the preceding two paragraphs in relation to requests in writing from Class B Noteholders upon which the Note Trustee or, as the case may be, the Master Issuer Security Trustee is bound to act.

(c) *Class M Notes*

In respect of the Class M Notes, the Trust Deed provides that, subject to **Condition 12.2**:

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

In the case of a single meeting of the Holders of the Class M Notes of any two or more Sub-Classes or Series (as the case may be) which are not all denominated in the same currency,

the Principal Amount Outstanding of any Class M Note denominated in a currency other than sterling shall be converted into sterling at the relevant swap rate.

The Trust Deed contains provisions similar to those in the preceding two paragraphs in relation to requests in writing from Class M Noteholders upon which the Note Trustee or, as the case may be, the Master Issuer Security Trustee is bound to act.

(d) *Class C Notes*

In respect of the Class C Notes, the Trust Deed provides that, subject to **Condition 12.2**:

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

In the case of a single meeting of the Holders of the Class C Notes of any two or more Sub-Classes or Series (as the case may be) which are not all denominated in the same currency, the Principal Amount Outstanding of any Class C Note denominated in a currency other than sterling shall be converted into sterling at the relevant swap rate.

The Trust Deed contains provisions similar to those in the preceding two paragraphs in relation to requests in writing from Class C Noteholders upon which the Note Trustee or, as the case may be, the Master Issuer Security Trustee is bound to act.

(e) *Class Z Notes*

In respect of the Class Z Notes, the Trust Deed provides that, subject to **Condition 12.2**:

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

- (iii) a resolution which, in the opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Sub-Classes or Series (as the case may be) and gives or may give rise to a conflict of interest between the Holders of any such Sub-Classes or Series (as the case may be) 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 Sub-Classes or Series (as the case may be) of Class Z Notes, it shall be duly passed at a separate meeting of the Holders of each such Sub-Class or Series (as the case may be) of Class Z Notes.

In the case of a single meeting of the Holders of the Class Z Notes of any two or more Sub-Classes or Series (as the case may be) which are not all denominated in the same currency, the Principal Amount Outstanding of any Class Z Note denominated in a currency other than sterling shall be converted into sterling at the relevant swap rate.

The Trust Deed contains provisions similar to those in the preceding two paragraphs in relation to requests in writing from Class Z Noteholders upon which the Note Trustee or, as the case may be, the Master Issuer Security Trustee is bound to act.

The quorum for any meeting of the Holders of any Series and Class (or Sub-Class) of Master Issuer Notes or of any Class of Master Issuer Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding then outstanding of such Series and Class (or Sub-Class) of Master Issuer Notes or such Class of Master Issuer Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class (or Sub-Class) of Master Issuer Notes or such Class of Master Issuer Notes of more than one Series, whatever the aggregate Principal Amount Outstanding then outstanding of the relevant Master Issuer Notes 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 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 to the following paragraph, the quorum at any meeting of the Holders of any Series or Class (or Sub-Class) of Master Issuer Notes or of any Class of Master Issuer Notes of more than one Series of Master Issuer Notes convened to consider the passing of an Extraordinary Resolution (including, for the avoidance of doubt, a Programme Resolution (as defined in **Condition 12.2**)) shall (subject as provided below) be one or more persons holding or representing not less than 50 per cent. of the aggregate principal amount outstanding of the Master Issuer Notes of the relevant Series and Class (or Sub-Class) or of the Class of Master Issuer Notes of more than one Series of Master Issuer Notes or, at any adjourned and reconvened meeting, not less than one or more persons being or representing Noteholders whatever the principal amount outstanding of the Master Issuer Notes of the relevant Series and Class (or Sub-Class) or of the Class of Master Issuer Notes of more than one Series of Master Issuer Notes.

The quorum at any meeting of the Holders of any Series and Class (or Sub-Class) of Master Issuer Notes or of any Class of Master Issuer Notes of more than one Series of Master Issuer Notes convened to consider 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 Master Issuer Notes of such Series and Class (or Sub-Class) or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Master Issuer Notes of such Series and Class (or Sub-Class) or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each, a **Basic Terms Modification**, as more fully defined in the Trust Deed), shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding then outstanding of the Master Issuer Notes of the relevant Series and Class (or Sub-Class) or of the Class of Master Issuer Notes of more than one Series of Master Issuer Notes or, at any adjourned and reconvened meeting, 25 per cent. of the aggregate Principal Amount Outstanding then outstanding of the Master Issuer Notes of the relevant Series and Class (or Sub-Class).

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

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class (or Sub-Class) or of the relevant Class of more than one Series of Master Issuer Notes who for the time being are entitled to receive notice of a meeting under the 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 Sub-Class) or of the relevant Class of more than one Series of Master Issuer Notes.

12.2 Programme Resolution

Notwithstanding the provisions of **Condition 12.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Enforcement Notice pursuant to **Condition 10** or take any enforcement action or instruct the Master Issuer Security Trustee to enforce the Master Issuer Security pursuant to **Condition 11** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Master Issuer 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 then outstanding of the Master Issuer Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Master Issuer Noteholders of such Class of Master Issuer Notes, whatever the aggregate Principal Amount Outstanding of such Class of Master Issuer Notes so held or represented by them.

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

12.3 Limitations on Noteholders

Subject as provided in Condition 12.4:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders and all Class Z Noteholders in each case, of that Series or of any other Series;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes of that Series or of any other Series remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series as applicable and subject hereto and to **Condition 12.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on the Class M Noteholders, the Class C Noteholders and the Class Z Noteholders in each case, of that or 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 12.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on the Class C Noteholders and the 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 12.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on the Class Z Noteholders of that or any other Series irrespective of the effect upon them; and

- (e) 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 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).

12.4 Approval of Modifications and Waivers by Noteholders

- (a) 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 Master Issuer Transaction Documents or the Conditions of the Master Issuer Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class 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 and the Class Z Noteholders of any Series.
- (b) 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 Master Issuer Transaction Documents or the Conditions of the Master Issuer Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class 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 and the Class Z Noteholders of any Series.
- (c) 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 Master Issuer Transaction Documents or the Conditions of the Master Issuer Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class 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 and the Class Z Noteholders of any Series.
- (d) 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 Master Issuer Transaction Documents or the Conditions of the Master Issuer 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 respective interests of the Class Z Noteholders of any Series.

12.5 Modifications and Determinations by Note Trustee

Subject as provided in the Note Trust Deed, the Note Trustee may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions of any Series and Class (or Sub-Class) of Master Issuer Notes or any of the Master Issuer Transaction Documents, which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Class of any Series of Master Issuer Notes or materially prejudicial to the interests of any of the Master Issuer Swap Providers; 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 interest of the Holders of the most senior Class of any Series of Master Issuer Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Master Issuer 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 an 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 Master Issuer Transaction Documents as expressly provided for in the Master Issuer Transaction Documents.

Without prejudice to (i) Clauses 19.1, 19.2, 19.3 and 19.4 of the Note Trust Deed and (ii) Clause 25.8 of the Funding Deed of Charge, subject to Clause 19.5(b) 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 any Funding Agreement or the Master Definitions and Construction Schedule that are requested by Funding or the Cash Manager, provided that Funding or the Cash Manager, as the case may be, has certified to the Note Trustee in writing that such modifications are required in order to accommodate:

- (a) Master Issuer Notes to be issued and/or Master Issuer Term Advances to be made available by the Master Issuer to Funding under the Master Intercompany Loan Agreement;
- (b) the entry by Funding into New Intercompany Loan Agreements, the issue of new types of notes by New Issuers or the issue of notes by Funding directly;
- (c) the addition of other relevant Funding Secured Creditors to the Transaction Documents;
- (d) the assignment of New Loans or their Related Security to the Mortgages Trustee;
- (e) amendments to the representations and warranties set out in Schedule 1 of the Mortgage Sale Agreement;
- (f) changes to the Funding Reserve Fund Required Amount, the Funding Liquidity Reserve Required Amount and/or the manner in which the Funding Reserve Fund or the Funding Liquidity Reserve Fund is funded;
- (g) different Interest Payment Dates and/or Interest Periods for any Master Issuer Notes to be issued by the Master Issuer (including modification of the Interest Payment Dates and/or Interest Periods and/or the basis for the calculation of interest in respect of any outstanding Master Issuer Notes) and/or different Interest Payment Dates and/or Interest Periods (including modification of the basis for the calculation of interest) in respect of any outstanding Master Issuer Term Advances under the Master Intercompany Loan Agreement, and consequential modifications in respect of (i) the amounts payable under, the rates for calculating the amounts payable under and the periods for payment and the dates for payment under the Funding Swap Agreement and (ii) the amounts payable under, the rates for calculating the amounts payable under and the periods for payment under and the dates for payment under the Master Issuer Swap Agreements; and/or
- (h) the Master Issuer to comply, with respect only to Master Issuer Notes to be issued on or after 27 August 2013, with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**) and which accordingly will be mandatory under EMIR irrespective of whether such modifications are materially prejudicial to the interests of the noteholders of any series or class of notes or any other issuing entity 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 sub-clause which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; and (b) increasing the obligations or duties, or decreasing the protections of the Note Trustee in the Transaction Documents and/or the Conditions of the Master Issuer Notes. The Noteholders and the Master Issuer Secured Creditors shall be deemed to have instructed the Note Trustee to concur with such EMIR amendments and shall be bound by them regardless of whether they are materially prejudicial to their interests.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 12.10** as soon as practicable thereafter.

12.6 Redenomination

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

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 12.10** as soon as practicable thereafter.

12.7 Exercise of Note Trustee's or Master Issuer Security Trustee's Functions

Where the Note Trustee or the Master Issuer Security 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, neither the Note Trustee nor the Master Issuer Security Trustee shall 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, neither the Note Trustee nor the Master Issuer Security Trustee shall be entitled to require, and no Noteholder shall be entitled to claim, from the Master Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12.8 Indemnification of the Note Trustee and the Master Issuer Security Trustee

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

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

The Note Trustee and the Master Issuer Security Trustee and their related companies are entitled to enter into business transactions with the Master Issuer, the Master 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 Master Issuer Transaction Document or whose obligations are comprised in the Master Issuer Security and/or any of their subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee nor the Master Issuer Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Master Issuer 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 and/or the Master Issuer Security Trustee, as applicable.

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

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

12.9 Replacement of Master Issuer 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 Master Issuer's, the Registrar's and the Paying Agent's reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Master 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 Master Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

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

12.10 Notice to Noteholders

(a) Publication of Notice

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

- (i) published on the Relevant Screen; and
- (ii) for so long as the Master Issuer Notes are admitted to trading on the London Stock Exchange's Regulated Market and listed on the Official List of the Financial Conduct Authority, (A) published by delivery to the applicable clearing system, or (B) any notice shall also be published in accordance with the relevant listing rules and regulations.

(b) Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required, or, in the case of notices provided pursuant to **Condition 12.10(a)** above, on the same day that such notice was delivered.

(c) Global Notes

While the Master Issuer Notes are represented by Global Notes, any notice to Noteholders will be valid if such notice is provided in accordance with **Condition 12.10(a)** or (at the option of the Master Issuer) if delivered to DTC (in the case of any Master Issuer Notes cleared through DTC) or to Euroclear and/or Clearstream, Luxembourg (in the case of the Master Issuer Notes cleared through Euroclear and/or Clearstream, Luxembourg) or (if specified in the applicable Final Terms) if delivered through an **Alternative Clearing System** specified therein. Any notice delivered to the DTC, Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the next day after such delivery.

(d) **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 having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Master Issuer 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.

13. Further Master Issuer Notes

13.1 Issuance of Further Master Issuer Notes

In respect of Master Issuer Notes issued after 27 June 2012, the Master Issuer may, without the consent of the Noteholders, raise further funds, from time to time, on any date by the creation and issue of further Master Issuer Notes (**Further Master Issuer Notes**) carrying the same terms and conditions in all respects (or in all respects except for the Interest Commencement Date) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with the relevant class of the Master Issuer Notes provided that:

- (a) the issuance tests have been satisfied (including written confirmation from S&P, Fitch and Moody's that the then current rating of the Rated Master Issuer Notes outstanding as of that time will not be reduced, withdrawn or qualified because of the new issue) as described in Clause 2.7 of the Note Trust Deed and the other Transaction Documents;
- (b) the aggregate principal amount of all Further Master Issuer Notes to be issued on such date is not less than £10,000,000 (or an equivalent amount in any other currency when converted at the applicable exchange rate);
- (c) any Further Master Issuer Notes which are assigned a rating are assigned the same ratings as are then applicable to the class of Master Issuer Notes with which they are to be consolidated and form a single series; and
- (d) an amount equal to the aggregate principal amount of such Further Master Issuer Notes will be on-lent by the Master Issuer to Funding.

13.2 Governing Law and Jurisdiction

The Master Issuer Transaction Documents and the Master Issuer Notes (and any non-contractual obligations arising out of or in connection with such documents or such notes, as the case may be) are and will be governed by English law unless specifically stated to the contrary. Certain provisions in the Master Issuer 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 Master Issuer Notes and the Master Issuer Transaction Documents (including any claims or disputes relating to any non-contractual obligations arising out of or in connection with such Transaction Documents or Master Issuer Notes, as the case may be); and
- (b) the Master Issuer and the other parties to the Master Issuer Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

13.3 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Master Issuer 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.

13.4 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 in the Master Issuer Master Definitions and Construction Schedule:

A Term Advances means the Term Advances made by the Master Issuer to Funding under the Master Intercompany Loan Agreement from the proceeds of issue of the Class M Notes of any Series;

AA Term Advances means the Term Advances made by the Master Issuer to Funding under the Master Intercompany Loan Agreement from the proceeds of issue of the Class B Notes of any Series;

AAA Term Advances means the Term Advances made by the Master Issuer to Funding under the Master Intercompany Loan Agreement from the proceeds of issue of the Class A Notes of any Series;

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 Transaction Account is maintained from time to time, being, as at the date hereof, The Bank of New York Mellon, acting through its London Branch and thereafter such other Authorised Entity as Funding may choose with the prior written approval of the Security Trustee;

Account Bank B means the bank at which the Funding GIC Account and the Mortgages Trustee GIC Account are maintained from time to time, being, as at the date hereof, Santander UK acting through its office at 21 Prescot Street, London E1 8AD and thereafter such other Authorised Entity as Funding may choose with the prior written approval of the Security Trustee or as the Mortgages Trustee may choose with the prior written consent of the Beneficiaries;

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 (or Sub-Class) of Master Issuer Notes, each place specified as such for such Notes in the relevant Final Terms;

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

Agent Bank means The Bank of New York Mellon, acting through its 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;

AUD-BBR-BBSW means the average mid rate for Australian dollars of exchange which appears on the Reuters Screen BBSW Page;

Available Principal Receipts means the amount of Master Issuer Principal Receipts allocable to the Money Market Notes on each Interest Payment Date that is a Transfer Date;

Base Prospectus means the base prospectus of the Master Issuer from time to time;

BBB Term Advances means the Term Advances made by the Master Issuer to Funding under the Master Intercompany Loan Agreement from the proceeds of issue of the Class C Notes of any Series;

Broken Amount means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the amount specified as such (if any) for such notes in the relevant Final Terms;

Called Notes has the meaning set forth in **Condition 6.8**;

CDOR means Canadian Dealer Offered Rate, the recognised benchmark index for Canadian bankers' acceptances, as further described in the Master Issuer Master Definitions and Construction Schedule under "Canadian Bankers Acceptances";

Class or **class** means, in relation to the Master Issuer Notes and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C 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 Master Issuer Notes of any Series designated as such in the relevant Final Terms;

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

Class B Notes means Master Issuer Notes of any Series designated as such in the relevant Final Terms;

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

Class C Notes means Master Issuer Notes of any Series designated as such in the relevant Final Terms;

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

Class M Notes means Master Issuer Notes of any Series designated as such in the relevant Final Terms;

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

Class Z Notes means Master Issuer Notes designated as such in the relevant 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 relevant 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 the entity specified as such in the relevant Final Terms;

Conditional Purchase Confirmation means a confirmation provided by the Remarketing Bank to the Master Issuer or 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 of the Money Market Notes;

Definitive Notes means the Master Issuer Notes while in definitive form;

Designated Account means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident 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 (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) 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 (or Sub-Class) of Master Issuer Notes, the date(s) specified as such (if any) for such notes in the applicable Final Terms;

Determination Period has the meaning indicated in **Condition 5.1**;

Distribution Compliance Period is the period which is prior to the first business day that is 40 days following the later of the commencement of the offering and the Closing Date;

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

EURIBOR means the Euro inter-bank offered rate as determined, with respect to any Master Issuer 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.;

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

Final Maturity Date means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the date specified as such for such notes in the applicable Final Terms;

Final Purchase Date has the meaning set forth in **Condition 6.8**;

Final Terms means, in relation to any Series of Master Issuer Notes, the final terms issued in relation to such Series of Master Issuer Notes which completes these Conditions, giving details of, *inter alia*, the amount and price of such Series of Master Issuer Notes, and which forms a part of the Base Prospectus in relation to such Series of Master Issuer Notes;

Fixed Coupon Amount means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the amount specified as such (if any) for such Master Issuer Notes in the relevant Final Terms;

Funding means Holmes Funding Limited;

Further Master Issuer Notes means further master issuer notes issued by the Master Issuer in accordance with Condition 13.1 and carrying the same terms and conditions in all respects (or in all respects except for the Interest Commencement Date) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, any class of Master Issuer Notes;

Global Notes means the U.S. Global Notes and the Reg S Global Notes;

Holder has the meaning indicated in **Condition 1.2**;

Initial Purchase Date has the meaning set forth in **Condition 6.8**;

Increase Amount has the meaning given to that term in **Condition 6.10(a)(i)**;

Increase Date has the meaning given to that term in **Condition 6.10**;

Interest Commencement Date means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the Closing Date of such notes or such other date as may be specified as such for such notes in the relevant Final Terms;

Interest Payment Date means in respect of a series and class (or sub-class) of Master Issuer Notes, the interest payment dates specified in the Final Terms for payment of interest and/or principal, subject to the terms and conditions of the Master Issuer Notes;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.;

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 Master Issuer Master Definitions and Construction Schedule;

Listed Notes means each Series and Class (or Sub-Class) of Master Issuer Notes which is admitted to the Official List and admitted to trading on the London Stock Exchange's Regulated Market;

London Stock Exchange means London Stock Exchange plc;

Mandatory Transfer Termination Event shall occur if the conditional purchaser has purchased an interest in all the Money Market Notes of the relevant Series and Class (or Sub-Class);

Margin means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the amount specified as such for such notes in the applicable Final Terms;

Master Intercompany Loan means, at any time, the aggregate of all Term Advances advanced under the Master Intercompany Loan Agreement;

Master Intercompany Loan Agreement means the loan agreement (i) entered into the Programme Date between, among others, Funding, the Master Issuer and the Security Trustee (as amended, novated, restated, replaced or supplemented from time to time) and (ii) to be entered into in respect of each issue of Further Master Issuer Notes on the relevant closing date, in each case and made between, among others, Funding and the Master Issuer;

Master Issuer means Holmes Master Issuer PLC;

Master Issuer Account Banks means the Sterling Account Bank and the Non-Sterling Account Bank;

Master Issuer Account Agreement means the bank account agreement entered into on the Programme Date between the Master Issuer, the Master Issuer Cash Manager, the Master Issuer Account Banks and the Master Issuer Security Trustee;

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

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

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

Master Issuer Dollar Currency Swap Agreements means, in respect of a Series and Class or (Sub-Class) of Master Issuer Notes denominated in Dollars, the 1992 ISDA Master Agreements (Multicurrency-Cross Border), schedules thereto and confirmations thereunder relating to the Master Issuer Dollar Currency Swaps to be entered into on or before the relevant Closing Date in respect of such Series and Class or (Sub-Class) between the Master Issuer, the relevant Master Issuer Swap Provider and the Master Issuer Security Trustee (as amended, restated, novated, replaced or supplemented from time to time);

Master Issuer Dollar Currency Swap Rate means the rates at which Dollars are converted into Sterling or, as the case may be, Sterling is converted into Dollars pursuant to the relevant Master Issuer Dollar Currency Swap Agreement or, if no relevant Master Issuer Dollar Currency Swap Agreements are in effect at such time, the "spot" rate at which Dollars are converted into Sterling or, as the case may be, Sterling is converted to Dollars on the foreign exchange markets;

Master Issuer Dollar Currency Swaps means the sterling-dollar currency swaps which enable the Master Issuer to receive and pay amounts under the Master Intercompany Loan in sterling and to receive and pay amounts under the Dollar Notes;

Master Issuer Euro Currency Swap Agreements means, in respect of a Series and Class or (Sub-Class) of Master Issuer Notes denominated in Euro, the 1992 ISDA Master Agreements (Multicurrency-Cross Border), schedules thereto and confirmations thereunder relating to the Master Issuer Euro Currency Swaps to be entered into on or before the relevant Closing Date in respect of such Series and Class or (Sub-Class) between the Master Issuer, the relevant Master Issuer Swap Provider and the Master Issuer Security Trustee (as amended, restated, novated, replaced or supplemented from time to time);

Master Issuer Euro Currency Swap Rate means the rates at which Euro are converted into Sterling or, as the case may be, Sterling is converted into Euro pursuant to the relevant Master Issuer Euro Currency Swap Agreement or, if no relevant Master Issuer Euro Currency Swap Agreements are in effect at such time, the "spot" rate at which Euro are converted into Sterling or, as the case may be, Sterling is converted to Euro on the foreign exchange markets;

Master Issuer Euro Currency Swaps means the sterling-euro currency swaps which enable the Master Issuer to receive and pay amounts under the Master Intercompany Loan in sterling and to receive and pay amounts under the euro denominated notes;

Master Issuer Master Definitions and Construction Schedule means the master definitions and construction schedule dated the Programme Date, as amended and restated from time to time, setting out, among other things, definitions which apply to certain Master Issuer Transaction Documents and includes any and all Accession Agreements;

Master Issuer Notes means any Global Notes or Definitive Notes (including, for the avoidance of doubt, any Global Notes or Definitive Notes in respect of any Further Master Issuer Notes);

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

Master Issuer Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Programme Date between the Master Issuer, the Post-Enforcement Call Option Holder and the Master Issuer Security Trustee (as amended, novated, restated, replaced or supplemented from time to time);

Master Issuer Principal Receipts means an amount equal to the sum of all principal amounts repaid by Funding to the Master Issuer under the Master Intercompany Loan;

Master Issuer Priority of Payments means the Master Issuer pre-enforcement revenue priority of payments, the Master Issuer pre-enforcement principal priority of payments or the Master Issuer post-enforcement priority of payments, as the case may be, each as set out in the Master Issuer Cash Management Agreement or the Master Issuer Deed of Charge (as the case may be);

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

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

Master Issuer Security Trustee means The Bank of New York Mellon, acting through its London branch and its successors or any other security trustee under the Master Issuer Deed of Charge;

Master Issuer Swap Agreements means the Master Issuer Dollar Currency Swap Agreements and the Master Issuer Euro Currency Swap Agreements;

Master Issuer Swap Provider means either ANTS or the institutions identified in respect of each Master Issuer Swap Agreement in relation to the relevant Series and Class (or Sub-Class) of Master Issuer Notes and shall be identified as such in the relevant drawdown prospectus or supplemental prospectus;

Master Issuer Transaction Documents means the Mortgage Sale Agreement, the Servicing Agreement, the Mortgages Trust Deed, the Cash Management Agreement, the Master Issuer Corporate Services Agreement, the Master Intercompany Loan Agreement, the Funding Deed of Charge, the Funding Guaranteed Investment Contract, the Mortgages Trustee Guaranteed Investment Contract, the Bank Account Agreement, the Master Issuer Bank Account Agreement, the Master Issuer Deed of Charge, the Trust Deed, the Paying Agent and Agent Bank Agreement, the Master Issuer Cash Management Agreement, the Master Issuer Post Enforcement Call Option Agreement, the Master Issuer Swap Agreements, the Initial Purchase Agreement, the Subscription Agreement, the Funding Swap Agreement, the Corporate Services Agreement, the Master Definitions and Construction Schedules and such other related documents which are referred to in the terms of the above documents;

Maximum Rate of Interest means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the rate of interest specified as such for such notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the rate of interest specified as such for such notes in the applicable Final Terms;

Minimum Seller Share means an amount which is calculated in accordance with clause 9.2 of the Mortgages Trust Deed;

Money Market Notes means Master Issuer Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the Investment Company Act;

Non-LSE Listed Notes means any notes listed and/or traded on any exchange other than the London Stock Exchange;

Non-Sterling Account Bank means Citibank, N.A., London Branch or such other person for the time being acting as non-sterling account bank to the Master Issuer under the Master Issuer Bank Account Agreement;

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

Note Enforcement Notice has the meaning indicated in **Condition 10.6**;

Note Event of Default means the occurrence of an event of default by the Master Issuer as specified in **Condition 10**;

Note Principal Payment has the meaning indicated in **Condition 6.3**;

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

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

NR Term Advances means the Term Advances made by the Master Issuer to Funding under the Master Intercompany Loan Agreement from the proceeds of issue of the Class Z Notes of any Series;

NR VFN Term Advance means a Term Advance made by the Master Issuer to Funding under the Intercompany Loan Agreement from the proceeds of issue of and Increase Amounts under a Class Z Variable Funding Note;

Official List means the official list of securities maintained by the London Stock Exchange;

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;

Pool Factor had the meaning indicated in **Condition 6.3**;

Principal Amount Outstanding has the meaning indicated in **Condition 6.3**;

Principal Paying Agent means The Bank of New York, acting through its 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 Date means 28 November 2006;

Purchase Option has the meaning set forth in **Condition 6.8**;

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;

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

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

Reference Banks has the meaning given to it in the Master Issuer Master Definitions and Construction Schedule;

Reference Price means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the price specified as such for such notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the rate specified as such for such notes in the applicable Final Terms;

Regulated Market means the regulated market of the London Stock Exchange;

Regulation S means Regulation S under the Securities Act;

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

Reg S Notes means each Series and Class (or Sub-Class) of Master Issuer Notes sold in reliance on Regulation S;

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

Registrar means The Bank of New York Mellon S.A./N.V., Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.) of Aerogolf Center, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg;

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 12.10**;

Relevant Screen Page means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the screen page specified as such for such notes in the applicable Final Terms;

Remarketing Bank means the entity specified as such in the relevant Final Terms;

Remarketing Period means, in respect of each Transfer Date (as specified in the relevant Final Terms), the period from and including the 15th business day prior to such Transfer Date through and including the 10th business day prior to such Transfer Date, unless otherwise specified in the relevant Final Terms;

Repayment Tests means the test set out in paragraph 3 of Part 2 of Schedule 3 to the Funding Deed of Charge;

Rule 144A means Rule 144A of the Securities Act;

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, United Kingdom;

Santander UK Optional Purchase Agreement means the agreement (if any) to be entered into between Santander UK and the Note Trustee pursuant to which Santander UK will be entitled to procure the sale to itself of all, but not some only, of the Class B Notes and/or Class M Notes and/or Class C Notes and/or Class Z Notes in accordance with **Condition 6.8** and the relevant Final Terms;

Securities Act means the United States Securities Act of 1933, as amended;

Security Trustee means The Bank of New York Mellon, acting through its 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;

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

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

Specified Currency means, in respect of any Series and Class (or Sub-Class) of Master Issuer 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 (or Sub-Class) of Master Issuer Notes, the exchange rate specified in the Master Issuer Swap Agreement relating to such Series and Class (or Sub-Class) of Master Issuer Notes or, if the Master Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Date has the meaning indicated in **Condition 12.6**;

Specified Denomination means, in respect of any Series and Class (or Sub-Class) of Master Issuer Notes, the denomination specified as such for such notes in the applicable Final Terms which shall be a minimum of €100,000 or such other amount specified in the applicable Final Terms (or its equivalent in any other currency at the date of issue of such notes);

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 Master Issuer and the Note Trustee pursuant to the Paying Agent and Agency Bank Agreement;

Specified Time has the meaning indicated in **Condition 5.2(b)(ii)**;

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

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 (or Sub-Class) of Master Issuer Notes denominated in Sterling;

Sub-Class means any sub-class of a Series and Class of Master Issuer Notes;

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;

Term Advances means the AAA Term Advances, the AA Term Advances, the A Term Advances, the BBB Term Advances and the NR Term Advances, being the advances made by the Master Issuer to Funding, pursuant to the Master Intercompany Loan Agreement, each being funded from proceeds received by the Master Issuer from the issue of a Series and Class (or Sub-Class) of Master Issuer Notes;

Transaction Documents means the Master Issuer Transaction Documents, the previous intercompany loan agreements, the current start-up loan agreements, the previous swap agreements, and any new intercompany loan agreements, new start-up loan agreements, new swap agreements, other documents relating to issues of new notes by new issuing entities, the mortgages trustee guaranteed investment contract and all other agreements referred to therein;

Transfer Agent means The Bank of New York Mellon S.A./N.V., Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.) in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

Transfer Date means, in respect of a Series and Class (or Sub-Class) of Money Market Notes, the date(s) specified as such in the relevant Final Terms;

Transfer Price means, in respect of each Money Market Note as at a Transfer Date, the Principal Amount Outstanding of such Money Market Note on that Transfer Date, following the application of Available Principal Receipts on such date;

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;

UKLA means the UK Listing Authority;

USD-LIBOR means the London inter-bank offered rate for deposits in U.S. Dollars, as further described in the Master Issuer Master Definitions and Construction Schedule;

U.S. Global Notes means each U.S. Note represented on issue by a Global Note in registered form for each such Class;

U.S. Notes means each Series and Class (or Sub-Class) of Master Issuer Notes sold in reliance on Rule 144A; and

U.S. Paying Agent means The Bank of New York Mellon, 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.