

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES (AS DEFINED BELOW). ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO THE BENEFICIAL OWNERS IN A TIMELY MANNER. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (IF THEY ARE IN THE UNITED KINGDOM) OR ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER AND TAKE SUCH OTHER ADVICE FROM THEIR OWN PROFESSIONAL ADVISERS AS THEY DEEM NECESSARY, IMMEDIATELY.

IMPORTANT NOTICE TO THE HOLDERS OF THE

**Class A €270,000,000 mortgage backed floating rate notes due March 2045
(the "Class A Notes") (Reg S ISIN: XS0328494157)**

**Class M €16,510,000 mortgage backed floating rate notes due March 2045
(the "Class M Notes") (Reg S ISIN: XS0328496368)**

**Class B €16,190,000 mortgage backed floating rate notes due March 2045
(the "Class B Notes") (Reg S ISIN: XS0328504567)**

**Class C €10,683,000 mortgage backed floating rate notes due March 2045
(the "Class C Notes") (Reg S ISIN: XS0328511265)**

**Class D €10,360,000 mortgage backed floating rate notes due March 2045
(the "Class D Notes") (Reg S ISIN: XS0328517205)**

**10,000 Residual Certificates
(the "Residual Certificates") (Reg S ISIN: XS0328783930)**

issued by

Eurosail PRIME-UK 2007-A PLC

(the "Issuer")

on or about 14 November 2007

The Class A Notes, the Class M Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Residual Certificates are together referred to as the "**Instruments**" and the holders of the Instruments are together referred to as the "**Instrumentholders**".

The Instruments are admitted to trading on the regulated market of the Irish Stock Exchange Limited. Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse), together with implementing Commission Directives 2003/124/EC of 22 December 2003, 2003/125/EC of 22 December 2003 and 2004/72/EC of 29 April 2004, as implemented by the relevant member states, require disclosure by or on behalf of the Issuer of any inside information concerning the Instruments.

Introduction

We refer to the notices from the Issuer dated 14 January 2014 and 3 February 2014 (the "**Notices**").

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Conditions and the master definitions schedule (the "**Master Definitions Schedule**") dated on or about 14 November 2007 entered into between the Issuer and BNY Mellon Corporate Trustee Services Limited (previously known as BNY Corporate Trustee Services Limited) (the "**Trustee**") (as amended and restated pursuant to the Amendment and Restructuring (2014A) Agreement (as defined below)) and the Notices, as the context may require.

Restructuring Proposals

On 4 February 2014, all the Instrumentholders duly passed in writing an Extraordinary Resolution (the "**Restructuring Resolution**") to approve, authorise, consent, sanction and assent to, amongst other things, the provisions of an amendment and restructuring agreement between the Issuer, the Trustee, the Seller, the Mortgage Administrator, the Cash/Bond Administrator, the Standby Cash/Bond Administrator, the Standby Mortgage Administrator, the Account Bank, the GIC Provider, the Collection Account Bank, OptionCo, the Principal Paying Agent, the Agent Bank, the Exchange Agent, the Registrar, the Transfer Agent, the US Paying Agent, the Irish Paying Agent and the Corporate Service Provider (the "**Amendment and Restructuring (2014A) Agreement**") implementing several restructuring proposals including, amongst others, (i) amending the Transaction Documents, including the removal of the Replacement Swap Obligations (as defined below); (ii) converting the Realised Termination Amounts (as defined below) from U.S. dollars to Sterling and distribute such converted amounts; (iii) amending the currency of the Notes from euro to Sterling; and (iv) amending the terms and conditions of the Instruments, which are described in more detail below (together, the "**Restructuring Proposals**").

Acting pursuant to the Restructuring Resolution, the parties implemented the Restructuring Proposals in accordance with their terms and the Amendment and Restructuring (2014A) Agreement was executed by all parties on 5 February 2014.

Whilst the below provides a summary of material aspects of the Restructuring Proposals, the Instrumentholders are advised to read the Amendment and Restructuring (2014A) Agreement and the Restated Transaction Documents (each as defined below and each of which is available for inspection by Instrumentholders as specified below) in full:

Agreed Spreadsheet

In connection with the amendments to the Instruments and the extraordinary payments described below, and pursuant to the terms of the Amendment and Restructuring (2014A) Agreement, the Cash/Bond Administrator confirmed and applied the calculations set out in the excel spreadsheet prepared by the Instrumentholders to effect the Restructuring Proposals (the "**Agreed Spreadsheet**"). The Agreed Spreadsheet is attached to this notice at Schedule 1.

Conversion of the Realised Termination Amounts

As previously notified in the Notices, the Issuer has received an aggregate amount of USD 64,870,363.36 comprising (i) the Termination Proceeds being USD 42,192,723.36, and (ii) the Total Purchase Price pursuant to the sale of the Remaining Claims (the "**Realised Termination Amount**").

On 5 February 2014, (acting with the consent of the Trustee and pursuant to the Restructuring Resolution and upon the advice of AgFe), the Issuer:

- (a) entered into an amendment to the Mandate Letter with AgFe to redefine the FX Trade Date (as 5 February 2014) in relation to AgFe acting as the Issuer's agent for the conversion of the Realised Termination Amount; and
- (b) instructed the Account Bank to convert the Realised Termination Amount into Sterling at a rate of 1.63060 resulting in a conversion of the Realised Termination Amount into an amount of GBP 39,783,124.83 (the "**Converted Realised Termination Amount**"), which was credited to the Transaction Account.

Crediting the Converted Realised Termination Amount to Ledgers

On 5 February 2014 and pursuant to the Amendment and Restructuring (2014A) Agreement, the Cash/Bond Administrator has opened in the books of the Issuer the following Ledgers:

- (a) a ledger entitled the "Restructuring Costs Ledger", as a Ledger in the Transaction Account; and
- (b) a ledger entitled the "Distributable Termination Proceeds Ledger" as a Ledger in the Transaction Account,

and credited an amount equal to GBP 1,500,000.00 of the Converted Realised Termination Amounts to the Restructuring Costs Ledger and the remainder of the Converted Realised Termination Amounts to the Distributable Termination Proceeds Ledger.

Closure of the Termination Payment Reserve Account

Pursuant to the Amendment and Restructuring (2014A) Agreement, on 7 February 2014 the Cash/Bond Administrator confirmed to the Issuer that (i) the balance of the Termination Payment Reserve Account is nil and (ii) on behalf of the Issuer, instructed the Account Bank to close this account. The Trustee, in accordance with the Restructuring Resolution, confirmed that upon the closure of the Termination Payment Reserve Account, such account is to be released from Security constituted under and pursuant to the Deed of Charge.

Amendment to the Currency and Pool Factor of the Notes

At midday on 6 February 2014 (the "**Effective Time**"), the currency of each Class of Notes was amended from euro to Sterling at a rate of 1:1 (the "**Note Currency Amendments**").

At the same time as the Note Currency Amendments were implemented, the Pool Factor applicable to each Class of Notes was replaced and reduced to the following Pool Factor (the "**Reduction of the Pool Factors**"):

- (a) amended Pool Factor for the A Notes: 0.6316800000;
- (b) amended Pool Factor for the M Notes: 0.6997400000;
- (c) amended Pool Factor for the B Notes: 0.6997400000;
- (d) amended Pool Factor for the C Notes: 0.6997400000; and,

- (e) amended Pool Factor for the D Notes: 0.6997300000.

In accordance with the Amendment and Restructuring (2014A) Agreement, the Note Currency Amendments and the Reduction of the Pool Factors are deemed to have been effective for all purposes (including, without limitation, the calculation of interest) as of 17:00 (London Time) on the Interest Payment Date falling in December 2013, which resulted in the Principal Amount Outstanding of each Class of Notes at such time being the following amounts:

- (a) Principal Amount Outstanding of the A Notes: GBP 170,553,600.00;
- (b) Principal Amount Outstanding of the M Notes: GBP 11,552,707.40;
- (c) Principal Amount Outstanding of the B Notes: GBP 11,328,790.60;
- (d) Principal Amount Outstanding of the C Notes: GBP 7,475,322.42; and
- (e) Principal Amount Outstanding of the D Notes: GBP 7,249,202.80.

Closure of the Euro Account

As part of and in connection with the Note Currency Amendments and the Reduction of the Pool Factors, on 7 February 2014 the Cash/Bond Administrator confirmed to the Issuer that (i) the balance of the Euro Account is nil and (ii) on behalf of the Issuer, instructed the Account Bank to close this account. The Trustee, in accordance with the Restructuring Resolution, confirmed that upon the closure of the Euro Account, such account is to be released from Security constituted under and pursuant to the Deed of Charge.

Amendment to the Relevant Margin

At the Effective Time, the Relevant Margin of the M Notes, the B Notes, the C Notes and the D Notes was amended to 1.46% per annum with such amendments being deemed to be effective for all purposes (including the calculation of interest) as of 17:00 (London Time) on the Interest Payment Date falling in December 2013 (the “**Margin Amendment**”). The Relevant Margin for the A Notes remains unchanged at 0.40%.

Extraordinary Payments: Payment of Restructuring Costs

Pursuant to the terms of the Amendment and Restructuring (2014A) Agreement, on the Interest Payment Date falling in March 2014, the Cash/Bond Administrator (on behalf of the Issuer) shall procure that the amounts on the Restructuring Costs Ledger are applied to the extent required to pay (on a *pro rata* basis) the commission due to AgFe for its services in connection with the Auction and the fees, costs, disbursements expenses and other amounts incurred as evidenced by invoices presented to the Issuer and thereafter by the Issuer to the Cash/Bond Administrator up to 15:00 (London time) on 5 March 2014 by the parties to the Amendment and Restructuring (2014A) Agreement (the “**March Restructuring Transaction Costs**”). To the extent that the amounts credited to the Restructuring Costs Ledger exceed the amount required to pay such March Restructuring Transaction Costs, the excess shall be applied towards the payment of the June Restructuring Transaction Costs (as defined below). In the event that the amounts credited to the Restructuring Costs Ledger are insufficient to pay the March Restructuring Transaction Costs, the shortfall shall be paid

out of the Available Revenue Funds and rank for payment at Condition 2(g) (i), (ii), (iii) or (iv), as applicable, of the Restated Conditions (as defined below) and Residual Certificate Condition 2(d)(i), (ii), (iii) or (iv), as applicable, of the Restated Residual Certificate Conditions (as defined below).

On the Interest Payment Date falling in June 2014, the Cash/Bond Administrator (on behalf of the Issuer) shall procure that any amounts on the Restructuring Costs Ledger after the application of the March Restructuring Costs shall be applied to the extent required (in each case making an appropriate debit to the Restructuring Costs Ledger) to pay (on a *pro rata* basis) the fees, costs, expenses, disbursements and other amounts incurred as evidenced by invoices presented to the Issuer and thereafter by the Issuer to the Cash/Bond Administrator up to 15:00 (London time) on 4 June 2014 (the "**June Restructuring Transaction Costs**"). The June Restructuring Costs shall only be paid to the extent such costs were not settled on the payment of the March Restructuring Costs.

To the extent that the amounts credited to the Restructuring Costs Ledger exceed the amount required to pay the aggregate amounts of the March Restructuring Transaction Costs and the June Restructuring Costs, on the Determination Date falling in September 2014 the excess shall be credited to the Principal Ledger. In the event that there is a shortfall to pay the aggregate amount of the March Restructuring Transaction Costs and the June Restructuring Transaction Costs out of the Restructuring Costs Ledger, the shortfall shall be paid out of the Available Revenue Funds and rank for payment at Condition 2(g) (i), (ii), (iii) or (iv), as applicable, of the Restated Conditions (as defined below) and Residual Certificate Condition 2(d)(i), (ii), (iii) or (iv), as applicable, of the Restated Residual Certificate Conditions (as defined below).

Extraordinary Payments: Application of the amounts standing to the credit of the Distributable Termination Proceeds Ledger

On the Interest Payment Date falling in March 2014, immediately after the application of the Available Revenue Funds in accordance with the Pre-Enforcement Priority of Payments and the Actual Redemption Funds in accordance with Condition 5(b) (*Mandatory Redemption in part of the Notes*) of the Restated Conditions (as defined below), amounts standing to credit on the Distributable Termination Proceeds Ledger shall be applied as follows:

- (a) *first*, an amount of GBP 3,700,000.00 to be paid, *pari passu* and *pro rata*, to the Residual Certificateholders as an extraordinary distribution on the Residual Certificates;
- (b) *second*, an amount of GBP 1,500,245.71 to be credited to the Reserve Ledger;
- (c) *third*, an amount equal to the GBP 29,970,000.00 to be paid, *pari passu* and *pro rata*, to the A Noteholders, such amount to be applied in partial redemption of the A Notes;
- (d) *fourth*, an amount equal to the GBP 2,407,818.40 to be paid, *pari passu* and *pro rata*, to the M Noteholders, such amount to be applied in partial redemption of the M Notes;

- (e) *fifth*, an amount equal to the GBP 2,361,149.60 to be paid, *pari passu* and *pro rata*, to the B Noteholders, such amount to be applied in partial redemption of the B Notes;
- (f) *sixth*, an amount equal to the GBP 1,558,008.72 to be paid, *pari passu* and *pro rata*, to the C Noteholders, such amount to be applied in partial redemption of the C Notes;
- (g) *seventh*, an amount equal to the GBP 1,510,902.40 to be paid, *pari passu* and *pro rata*, to the D Noteholders, such amount to be applied in partial redemption of the D Notes; and
- (h) *eighth*, any remaining amounts standing to the credit of the Distributable Termination Proceeds Ledger to be applied to the credit of the Reserve Ledger.

Termination of the PECO

At the Effective Time, and pursuant to the Restructuring Resolution and the terms of the Amendment and Restructuring (2014A) Agreement, the Issuer, the Trustee and OptionCo agreed to terminate the Post Enforcement Call Option Agreement and to release all the Issuer's right, title, interest and benefit (both present and future) in, to and under the Post Enforcement Call Option Agreement from the Security created pursuant to the Deed of Charge.

Restatement of certain Transaction Documents

Pursuant to the Restructuring Resolution and the Amendment and Restructuring (2014A) Agreement, the parties thereto agreed to amend and restate certain of the Transaction Documents to reflect, among other things, the amendments to the Notes described above, the termination of the Hedging Agreements and the termination of the Post Enforcement Call Option Agreement.

The terms of the Amendment and Restructuring (2014A) Agreement provide that with effect on and from the Effective Time, the following documents were amended and restated in the forms contained in the schedules to the Amendment and Restructuring (2014A) Agreement:

- (a) the Common Terms;
- (b) the Master Definitions Schedule;
- (c) the Cash/Bond Administration Agreement;
- (d) the Guaranteed Investment Agreement;
- (e) the Bank Agreement;
- (f) the Mortgage Administration Agreement; and
- (g) the Paying Agency Agreement,

(together, the "**Restated Transaction Documents**").

In addition, the parties to the Amendment and Restructuring (2014A) Agreement agreed that the Instruments would be amended in the forms annexed to the Amendment and Restructuring (2014A) Agreement:

- (a) the A Reg S Global Note;
- (b) the A Rule 144A Global Note;
- (c) the M Reg S Global Note;
- (d) the M Rule 144A Global Note;
- (e) the B Reg S Global Note;
- (f) the B Rule 144A Global Note;
- (g) the C Reg S Global Note;
- (h) the C Rule 144A Global Note;
- (i) the D Reg S Global Note;
- (j) the D Rule 144A Global Note; and
- (k) the Global Residual Certificate.

Cash/Bond Administration Agreement

The terms of the Cash/Bond Administration Agreement require the Cash/Bond Administrator to prepare a Performance Report not later than the tenth Business Day after each Interest Payment Date. The terms of the Restated Cash/Bond Administration Agreement provide that the Cash/Bond Administrator shall have fifteen Business Days to prepare a Performance Report in respect of the Interest Payment Dates falling in March 2014 and June 2014 only.

Amended and Restated (2014A) Trust Deed, Deed of Charge and Supplemental (2014A) Deed of Charge

In accordance with the Restructuring Resolution, the Issuer and the Trustee and other relevant Transaction Parties entered into an amended and restated Trust Deed (the "**Amended and Restated (2014A) Trust Deed**") and a supplemental Deed of Charge (the "**Supplemental (2014A) Deed of Charge**"), incorporating, in the case of the Amended and Restated (2014A) Trust Deed, amendments to and restatements of the Conditions of the Notes (the "**Restated Conditions**") and the Residual Certificate Conditions (the "**Restated Residual Certificate Conditions**") to reflect the changes to the Instruments described above, and in the case of the Supplemental (2014A) Deed of Charge, amendments to the Deed of Charge.

- (a) Amended and Restated (2014A) Trust Deed:

The Restated Conditions are attached to this notice at Schedule 2 (*The Terms and Conditions of the Notes*) and the Restated Residual Certificate Conditions are

attached to this notice at Schedule 3 (*The Terms and Conditions of the Residual Certificates*).

In addition, the Amendment and Restatement (2014A) Trust Deed amends, amongst other things, the following provisions of the Trust Deed:

- (i) Clause 11.2(m) (*Raters' Confirmations*) - to provide that the Rating Agency Confirmations are not required in certain circumstances as set out in more detail below; and,
- (ii) Schedule 4 (*Provisions for Meetings of the Instrumentholders*) - to provide that all provisions of such Schedule no longer takes into account the difference in the currency of the Notes.

(b) Supplemental (2014A) Deed of Charge

Pursuant to the Supplemental (2014A) Deed of Charge the Issuer granted a supplemental level of security on the same terms as the existing security (save in respect of the Scottish Declaration of Trust (which is already subject to a full assignation in favour of the Trustee under Scots law pursuant to the original Deed of Charge), in relation to which the Issuer has assigned in favour of the Trustee its reversionary interest in the assignation of the Scottish Declaration of Trust granted in terms of the original Deed of Charge). The Supplemental (2014A) Deed of Charge is intended as a supplement to the existing security granted pursuant to the Deed of Charge to cover any amendments to the Secured Amounts arising as a result of the Restructuring Proposals and it is not intended that the security pursuant to the Deed of Charge would be released.

The Supplemental (2014) Deed of Charge appends an amended form of the Deed of Charge, reflecting, amongst other things, the termination of the Hedging Agreements, the termination of the Post Enforcement Call Option Agreement, the inclusion of new limited recourse provisions and amendments to the Post-Enforcement Priority of Payments, reflecting, amongst other things, the termination of the Hedging Agreements.

Termination of the Replacement Swap Obligations

Prior to the implementation of the Amendment and Restructuring (2014A) Agreement, Condition 2(g) of the Conditions, Residual Certificate Condition 2(d) of the Residual Certificate Conditions, clauses 18.2(gg) and 18.2(oo) of the Deed of Charge and clause 9.14(c) of the Cash/Bond Administration Agreement require the Issuer to, among other things, apply the Realised Termination Amounts towards payment to suitably rated replacement swap counterparties in consideration for such swap counterparties entering into suitable replacement hedging agreements with the Issuer (the "**Replacement Swap Obligations**"). The Replacement Swap Obligations have been terminated in all relevant Restated Transaction Documents along with the termination of the Hedging Agreements.

Rating Agency Confirmation

Certain of the Transaction Documents provide that a Rating Agency Confirmation must be obtained in respect of certain actions permitted to be made and certain changes permitted to occur under the terms of those Transaction Documents. In line with recent experiences of certain Rating Agencies no longer providing Rating Agency Confirmations as a matter of course, the Restated Transaction Documents provide that a Rating Agency Confirmation will not be required (in circumstances where it was so required under the terms of the Transaction Documents, the Deed of Charge and/or the Trust Deed, prior to the implementation of the Restructuring Proposals) if the applicable Rating Agency (a) has made a public statement to the effect that it will no longer review events or circumstances of such type for the purposes of confirming such then current ratings and will not issue such Rating Agency Confirmation; or (b) has communicated to the Issuer, the Trustee or the Cash/Bond Administrator (or any of their respective counsel) that it will not review such event or circumstance for the purposes of determining whether or not it can confirm such then current ratings and will not issue a Rating Agency Confirmation on the basis that it is not obliged to provide such confirmation.

Other Matters

In connection with the Restructuring Proposals and pursuant to the Restructuring Resolution, the Trustee:

- (a) concurred with, consented to and confirmed its agreement to:
 - (i) the Issuer entering into, amongst other things, the Amendment and Restructuring (2014A) Agreement and implementing the Restructuring Proposals and in each case performing its obligations contemplated thereby; and
 - (ii) the Issuer concurring with, consenting to and directing each of the Cash/Bond Administrator, the Registrar, the Principal Paying Agent and each other party to enter into, amongst other things, the Amendment and Restructuring (2014A) Agreement and implement the Restructuring Proposals and in each case performing its obligations contemplated thereby;
- (b) waived all breaches or proposed breaches by the Issuer or the other parties to the Amendment and Restructuring (2014A) Agreement of the provisions of the Transaction Documents and/or the Instruments that may occur in connection with entering into this Agreement and implementing the Restructuring Proposals; and
- (c) determined that any actions taken by the Issuer or the parties to the Amendment and Restructuring (2014A) Agreement pursuant to or in connection with, amongst other things, the Amendment and Restructuring (2014A) Agreement or in connection with the implementation of the Restructuring Proposals which constitute an Event of Default or Potential Event of Default in respect of the Instruments shall not be treated as such;

In connection with the Restructuring Resolution and the Restructuring Proposals, the Issuer (with the consents referred to in paragraphs (a)-(c) above) concurred with, consented to and directed the Cash/Bond Administrator, the Registrar, the Principal Paying Agent and each

other party to enter into the Amendment and Restructuring (2014A) Agreement and implement the Restructuring Proposals, in each case performing its obligations contemplated thereby.

In connection with the Restructuring Proposals, the parties waived the following:

- (a) any and all requirements, restrictions or conditions precedent set forth in the Transaction Documents on any person in respect of entering into, amongst other things, the Amendment and Restructuring (2014A) Agreement and the transactions contemplated hereby; and
- (b) any requirements contained in the unamended Transaction Documents to obtain rating agency approval or confirmation that the then current ratings of the Notes would not be adversely affected;

The parties to the Amendment and Restructuring (2014A) Agreement (other than the GIC Provider and the Account Bank) acknowledged and waived any breach:

- (a) by the GIC Provider of clause 8.1 (*Warranties and Acknowledgments*) of the Guaranteed Investment Contract;
- (b) by the Account Bank of clause 5.8 (*Acknowledgments*) of the Bank Agreement;
- (c) by the Account Bank, the Issuer and/or the Cash/Bond Administrator of clause 7.3 (*Change of Account Bank*) of the Bank Agreement;
- (d) by the Issuer and/or the Cash/Bond Administrator of clause 7.1 (*Rating and Transfer of Bank Accounts*) of the Cash/Bond Administration Agreement; and
- (e) of any other provision of a Transaction Document, in each case arising from the GIC Provider and/or the Account Bank (as applicable) having ceased to be a Qualifying Entity, such acknowledgement and waiver to be without prejudice to the rights, obligations and ability of the Issuer and/or the Cash/Bond Administrator to act after the date of this notice to replace the GIC Provider and/or the Account Bank (as applicable) with a Qualifying Entity in accordance with the terms of the Restated Transaction Documents.

Acknowledgment of Risks

The following is a summary of certain aspects of the Amendment and Restructuring (2014A) Agreement and the Restructuring Proposals about which Instrumentholders and prospective Instrumentholders should be aware. The summary is not intended to be exhaustive and prospective Instrumentholders should take their own advice in connection with the risks associated with the Instruments or any investment therein. Nothing in this notice should be considered as a recommendation or as constituting an invitation or offer to buy or the solicitation of an offer to subscribe for or purchase any Instruments or any other securities in any jurisdiction. Each investor contemplating subscribing for or purchasing or selling any Instruments should make its own independent investigation of the Instruments and take its own advice in connection with any risks associated therewith or otherwise.

Instrumentholders' acknowledgments

In the Restructuring Resolution, the Instrumentholders:

- (a) resolved to release and exonerate the Trustee and the Issuer from all liability for which either of them become responsible to Instrumentholders (or may incur to Instrumentholders) in respect of any act or omission by the Trustee or the Issuer (or any of its agents on its behalf) required to implement the Restructuring Resolution in accordance with its terms;
- (b) confirmed that they have formed their own view in relation to the actions arising out of the Restructuring Resolution without any reliance on the Issuer or the Trustee or their respective advisers;
- (c) acknowledged and agreed that the terms of the Restructuring Resolution have not been formulated by the Trustee or the Issuer neither of whom expresses any view on them, and nothing in the Restructuring Resolution or otherwise should be construed as a recommendation to the Instrumentholders from the Trustee or the Issuer to either approve or reject the Restructuring Resolution or its implementation;
- (d) acknowledged and agreed that neither the Trustee nor the Issuer are responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in the Restructuring Resolution or the proposals therein or any omissions from the Restructuring Resolution or the proposals therein;
- (e) confirmed that they have consulted their own independent legal, financial, tax and other professional advisers and conducted such due diligence as we consider necessary or appropriate for the purposes of considering the Restructuring Resolution and the proposals therein and have made their own judgment in connection therewith are not relying (for the purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Trustee and they further acknowledge and agree that neither the Issuer nor the Trustee have given (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) of the Restructuring Resolution and the Restructuring

Proposals (as defined in the Restructuring Resolution); and

- (f) confirmed that they are sophisticated investors familiar with transactions similar to their investment in the Instruments and that they are acting for their own account, and have made their own independent decisions in respect of passing the Restructuring Resolution and passed the Restructuring Resolution with a full understanding of all the terms, conditions and risks associated with or that exist or may exist now or in the future in connection with the Restructuring Resolution and that are capable of assuming and willing to assume (financially or otherwise) those risks.

Rating of the Notes

The Rating Agencies have not confirmed that the applicable ratings of the Instruments (if any) will not be downgraded, suspended, withdrawn or qualified as a result of the execution of the Amendment and Restructuring (2014A) Agreement or in connection with the implementation of the Restructuring Proposals or any part of them and as a result there can be no assurance that such ratings will not be so downgraded, suspended, withdrawn or qualified.

No hedging

In light of the amendments made pursuant to the Amendment and Restructuring (2014A) Agreement, the Issuer will not enter into any hedging arrangement in respect of the Instruments to mitigate potential risks including, without limitation, risks associated with rising interest rates, increase in Note Sterling LIBOR or any potential mismatch between Loan BBR and Note Sterling LIBOR or otherwise, which in each case might lead to a shortfall in amounts available to make payments in respect of the Instruments or a downgrade, suspension, withdrawal or qualification of the Instruments by one or more of the Rating Agencies.

No legal opinions

Neither the Issuer nor the Trustee has the benefit of any legal opinion in connection with the Restructuring Proposals and their implementation or the Amendment and Restructuring (2014A) Agreement regarding capacity, authority, enforceability, validity of security or any other matters (including taxation).

Limited Recourse

Pursuant to the amendments made to the original Transaction Documents in the Amendment and Restructuring (2014A) Agreement, the Instruments will be limited recourse obligations of the Issuer. If, and to the extent that, after the Security has been enforced and the proceeds thereof have been applied in accordance with the applicable Priority of Payments, the amounts recovered on enforcement of the Security are insufficient to pay or discharge amounts due from the Issuer to the Instrumentholders in full for any reason, the amounts will cease to be due and payable by the Issuer. No other assets of the Issuer will be available to satisfy claims of Instrumentholders or any other Secured Creditors. The limited recourse provisions included in the Restated Transaction Document are binding on current and future Instrumentholders and will limit the recourse of Instrumentholders for payment of all amounts due to the Instrumentholders (including principal and interest on the Notes), and payment of RC Distributions on the Residual Certificates, to the proceeds of realisation of the Charged Property.

On the Final Maturity Date or following final distribution of net proceeds of enforcement of the Security, if the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's obligations to the Instrumentholders, then the Instrumentholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

Taxation

This notice does not address the tax consequences of the Restructuring Proposals. Instrumentholders who are in any doubt as to the tax position are encouraged to obtain specific tax advice, and in connection therewith reference is made to the foregoing confirmations and acknowledgments from the Instrumentholders.

Costs of Restructuring Proposals

The payment of costs in connection with the Restructuring Proposals is described in the Amendment and Restructuring (2014A) Agreement and the Restated Transaction Documents, as summarised in this notice.

However, there can be no assurance that the implementation of the Restructuring Proposals will not cause the parties to the Restated Transaction Documents to incur additional costs and such costs will be required to be paid by the Issuer in accordance with the Priority of Payments, which might lead to a shortfall in amounts available to make payments in respect of the Instruments or a downgrade, suspension, withdrawal or qualification of the Instruments by one or more of the Rating Agencies.

Compliance with new European Regulations

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a large number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Prospective investors in the Instruments are responsible for analysing their own regulatory position and none of the Issuer and the Originator makes any representation to any prospective investor or purchaser of the Instruments regarding the regulatory capital treatment of their investment on the date of their issue or at any time in the future.

In particular, investors and prospective investors should be aware of Article 122(a) of Directive 2006/48/EC (as amended by Directive 2009/111/EC), referred to as the Capital Requirements Directive ("**CRD**" or "**Article 122a**" as applicable), which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution and consolidated group affiliates thereof from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. No originator, sponsor or original lender has undertaken to the Issuer to retain any net economic interest in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a.

Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes or other instruments acquired by the relevant investor.

The Issuer has not undertaken any investigation as to whether Article 122a of the CRD applies in respect of the Notes, so investors which are EU regulated credit institutions should make themselves aware of the requirements of Article 122a (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Instruments. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Note Restructuring Prospectus and in any Servicer's Monthly Report and/or Investor Report made available and/or provided in relation to the transaction for the purpose of complying with Article 122a and none of the Issuer, the Trustee, the Corporate Services Provider nor any other party to the transaction makes any representation that the information described above is sufficient in all circumstances for such purposes.

In particular, there remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate relevant compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with Article 122a or any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

It should be noted that Article 122a will be re-cast as part of CRD IV. Certain changes will occur as part of this re-casting process, including the replacement of the current Article 122a with broadly equivalent provisions at Articles 405 to 410 of the Capital Requirements Regulation and the development of new (and potentially different) regulatory technical standards (the "**Regulatory Technical Standards**"). On 22 May 2013 the EBA released a consultation paper in respect of the Regulatory Technical Standards (the "**EBA Consultation Paper**") which contemplates significant changes as compared to the current Article 122a and the associated guidance. In particular, if the Regulatory Technical Standards are implemented in the form proposed by the EBA Consultation Paper, the flexibility currently provided by Article 122a for an entity which is not an "originator", "sponsor" or "original lender" to satisfy the retention requirement will be removed. Such proposals are open for consultation and the final Regulatory Technical Standards may be different. The EBA is required to submit the draft Regulatory Technical Standards to the European Commission by 1 January 2014 but it is uncertain when the the Regulatory Technical Standards will be finalised and published, when they will take effect, if they will follow or be materially different to the current guidelines to Article 122a (which were published by the Committee of European Banking Supervision in December 2010) and, to the extent they differ (as the proposals in the EBA Consultation Paper suggest could be the case), how such changes will affect transactions entered into prior to the adoption of the Regulatory Technical Standards. No assurance can be provided as to whether any changes made in connection with CRD IV (including through the Regulatory Technical Standards) will or will not affect the requirements which apply to investors.

Similar requirements to those set out in Article 122a have been finalised for alternative investment fund managers that are required to become authorised under the Alternative

Investment Fund Managers Directive (which requirements took effect from 22 July 2013) and requirements are expected to be implemented for other types of EU regulated investors (such as insurance and reinsurance undertakings and Undertakings for Collective Investment in Transferable Securities funds) in the future.

Article 122a of the CRD, AIFMD and any other changes to the regulation or regulatory treatment of the Instruments for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Instruments in the secondary market.

Modification of Euroclear and Clearstream, Luxembourg records

The Amendment and Restructuring (2014A) Agreement and the Restructuring Proposals, amongst other things, contemplate modifications to the Transaction Documents, the Global Notes and Global Residual Certificates and which require corresponding modifications to the books and records of, amongst others, Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream Luxembourg are under no obligation to make such modifications or implement the proposals in the Amendment and Restructuring (2014A) Agreement or, the Restructuring Proposals, amongst other things, or in connection therewith that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Transaction Documents or otherwise. Neither the Issuer nor the Trustee, nor any of their agents will have any responsibility for the performance (timely or otherwise) by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations including, without limitation any modifications to their books, records or systems proposed to be made that were not made or were made in part only or in any way incorrectly or not in the manner envisaged in connection with the Amendment and Restructuring (2014A) Agreement, the Restructuring Proposals or otherwise. Instrumentholders and prospective Instrumentholders should be aware that any interests in the Instruments will be subject to the terms the Amendment and Restructuring (2014A) Agreement or the Restructuring Proposals notwithstanding that any modifications therein have not been accurately reflected in the books and records of Euroclear or Clearstream, Luxembourg, which might affect future payments in connection with the Instruments or their value, price or liquidity in the secondary market.

Schedule 1
Agreed Spreadsheet

Restructuring Calculations. Carried out on FARA date + 1 Business Day

| Amount | Responsibility |
|--|------------------------|
| Claim Sale | |
| Stipulated Claim | \$106,000,000 |
| LBSF Distribution to Date | \$67,192,733.38 Issuer |
| Traded Value of Remaining Claim | 21.3940% AgFe/Issuer |
| Claim Sale Proceeds | \$22,677,640 |
| Total Claim Proceeds | \$64,870,363.36 |
| GBP/USD Rate used to convert USD Proceeds into GBP | 1.63060 AgFe |
| GBP Equivalent Proceeds | £39,783,124.83 |
| Existing Assets | |
| Mortgage Asset Balance | £170,351,813 |
| Existing Reserve Fund | £4,725,000 |
| Currency Amendment | |
| Current outstanding Class A balance in EUR | €205,487,280 |
| Current outstanding Class M balance in EUR | €16,510,000 |
| Current outstanding Class B balance in EUR | €16,190,000 |
| Current outstanding Class C balance in EUR | €10,683,000 |
| Current outstanding Class D balance in EUR | €10,360,000 |
| Conversion EURGBP Rate | 0.83000 AgFe / Issuer |
| Class A balance in GBP following currency amendment (before any writedown) | £170,553,600 |
| Class M balance in GBP following currency amendment (before any writedown) | £13,703,300 |
| Class B balance in GBP following currency amendment (before any writedown) | £13,437,700 |
| Class C balance in GBP following currency amendment (before any writedown) | £8,866,890 |
| Class D balance in GBP following currency amendment (before any writedown) | £8,588,800 |
| Extraordinary Waterfall | |
| Restructuring Costs Ledger | £1,500,000 |
| Estimated Initial Reserve Amount | £1,500,000 |
| Residual PayDown Ledger | £3,700,000 |
| A Paydown Amount | £29,970,000.00 |
| M Paydown Amount | £2,407,818.40 |
| B Paydown Amount | £2,361,149.60 |
| C Paydown Amount | £1,558,008.72 |
| D Paydown Amount | £1,510,902.40 |
| Initial Reserve Amount | £1,500,245.71 |
| Writedown | |
| Total Write-Down Required | £7,000,598.30 |
| Total Mezz Write-Down | £7,000,598.30 |
| Total Senior Write-Down | £0.00 |
| A Writedown | £0.00 |
| M Writedown | £2,150,592.60 |
| B Writedown | £2,108,909.40 |
| C Writedown | £1,391,567.58 |
| D Writedown | £1,349,597.20 |
| Post Writedown and Redemption Balances | |
| A Balance | £170,553,600.00 |
| M Balance | £11,552,707.40 |
| B Balance | £11,328,790.60 |
| C Balance | £7,475,322.42 |
| D Balance | £7,249,202.80 |
| Post Writedown Paydown and Redemption Balances | |
| A Balance | £140,583,600.00 |
| M Balance | £9,144,889.00 |
| B Balance | £8,967,641.00 |
| C Balance | £5,917,313.70 |
| D Balance | £5,738,300.40 |
| Assets Liabilities Check | OK |
| Cash Used Check | OK |

| Class | Number of Notes | Before Currency Amendment/Writedown | | | After Currency Amendment/Writedown | | | | |
|-------------------------------|-----------------|-------------------------------------|-----------------|--|------------------------------------|-----------------|-----------------|--------------|-----------------|
| | | Amount per Note | Initial Balance | Factor | Current Balance | Amount Per Note | Initial Balance | Factor | Current Balance |
| A | 270,000 | €1,000 | €270,000,000 | 0.7110800000 | €205,487,280 | €1,000 | €270,000,000 | 0.6316800000 | €170,553,600.00 |
| M | 16,510 | €1,000 | €16,510,000 | 1.0000000000 | €16,510,000 | €1,000 | €16,510,000 | 0.6997400000 | £11,552,707.40 |
| B | 16,190 | €1,000 | €16,190,000 | 1.0000000000 | €16,190,000 | €1,000 | €16,190,000 | 0.6997400000 | £11,328,790.60 |
| C | 10,683 | €1,000 | €10,683,000 | 1.0000000000 | €10,683,000 | €1,000 | €10,683,000 | 0.6997400000 | £7,475,322.42 |
| D | 10,360 | €1,000 | €10,360,000 | 1.0000000000 | €10,360,000 | €1,000 | €10,360,000 | 0.6997300000 | £7,249,202.80 |
| Extraordinary Payments | | €29,970,000.00 | | Note liabilities post redemom. and paydown | | €170,351,744.10 | | TRUE | |
| A Paydown Amount | | €2,407,818.40 | | Liabs <= Mtge Assets | | | | | |
| M Paydown Amount | | €2,361,149.60 | | | | | | | |
| C Paydown Amount | | €1,558,008.72 | | | | | | | |
| D Paydown Amount | | €1,510,902.40 | | | | | | | |
| Initial Reserve Amount | | €1,500,245.71 | | | | | | | |
| New A Note Pool Factor | | 0.6316800000 | | | | | | | |
| New M Note Pool Factor | | 0.6997400000 | | | | | | | |
| New B Note Pool Factor | | 0.6997400000 | | | | | | | |
| New C Note Pool Factor | | 0.6997400000 | | | | | | | |
| New D Note Pool Factor | | 0.6997300000 | | | | | | | |

Schedule 2

Restated Terms and Conditions of the Notes

TERMS AND CONDITIONS OF THE NOTES

If Notes in definitive form were to be issued, the terms and conditions (subject to amendment and completion) set out on each Note would be as set out below. While the Notes remain in global form, the same terms and conditions govern such Notes, except to the extent that they are appropriate only to Notes in definitive form. These terms and conditions are subject to the detailed provisions of the Trust Deed and the Deed of Charge.

The €270,000,000 Class A Mortgage Backed Floating Rate Notes due 2045 (the "**A Notes**"), the €16,510,000 Class M Mortgage Backed Floating Rate Notes due 2045 (the "**M Notes**"), the €16,190,000 Class B Mortgage Backed Floating Rate Notes due 2045 (the "**B Notes**"), the €10,683,000 Class C Mortgage Backed Floating Rate Notes due 2045 (the "**C Notes**"), the €10,360,000 Class D Mortgage Backed Floating Rate Notes due 2045 (the "**D Notes**"). The Notes were issued by Eurosail Prime-UK 2007-A plc (the "**Issuer**") on 14 November 2007 (the "**Closing Date**"). On or about the Calculation Date (as defined below) the currency of each Class of Notes (as defined below) was amended from euro to Sterling (effective for all purposes as of the Interest Payment Date falling in December 2013) in accordance with the terms of the Amendment and Restructuring (2014A) Agreement (as defined below).

The A Notes, the M Notes, the B Notes, the C Notes and the D Notes are collectively referred to as the "**Notes**" and any reference below to a "**Class**" of Notes or a "**Class**" of holders of Notes shall be a reference to the A Notes, the M Notes, the B Notes, the C Notes and the D Notes or to the holders thereof (the "**Noteholders**"). The Notes are constituted by a trust deed dated the Closing Date between the Issuer and BNY Mellon Corporate Trustee Services Limited (then known as BNY Corporate Trustee Services Limited) as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed pursuant to the Trust Deed) for the holders for the time being of the Notes (as amended and restated at the Effective Time pursuant to the Amendment and Restructuring (2014A) Agreement and as further amended, restated and/or supplemented from time to time, the "**Trust Deed**") and are subject to a master securitisation agreement dated the Closing Date and the paying agency agreement set out in schedule 8 thereof (as amended and restated at the Effective Time pursuant to the Amendment and Restructuring (2014A) Agreement, the "**Paying Agency Agreement**", which expression includes any further modification thereto) between, among others, the Issuer, The Bank of New York Mellon (then known as The Bank of New York), acting through its London Branch as agent bank (in such capacity, the "**Agent Bank**", which expression includes any successor agent bank appointed from time to time in connection with the Notes), as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and as currency exchange agent for the Notes (in such capacity, the "**Exchange Agent**", which expression includes any successor currency exchange agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Dublin Branch (as successor to The Bank of New York Mellon (Ireland) Limited (then known as BNY Financial Services plc)) as Irish paying agent (in such capacity, the "**Irish Paying Agent**", which expression includes any successor Irish paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon (then known as The Bank of New York), acting through its New York Branch as U.S. paying agent (in such capacity, the "**U.S. Paying Agent**", which expression includes any successor U.S. paying agent appointed from time to time in connection with the Notes and together with each other paying agent and successor paying agent appointed from time to time in connection with the Notes, the "**Paying Agents**"), The Bank of New York Mellon

(Luxembourg) S.A. (then known as The Bank of New York (Luxembourg) S.A.) as registrar for the Notes (in such capacity, the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and as transfer agent for the Notes (together with any successor or additional transfer agent appointed from time to time in connection with the Notes, the "**Transfer Agents**") and the Trustee. The security for the Notes is created pursuant to, and on the terms set out in, a deed of charge dated the Closing Date between, among others, the Issuer and the Trustee (as supplemented, amended and/or restated by a supplemental deed of charge dated on or about 4 February 2014 between, among others, the Issuer and the Trustee (the "**Supplemental (2014A) Deed of Charge**") and as further amended, restated and/or supplemented from time to time, the "**Deed of Charge**").

Copies of the Transaction Documents are available for inspection by the Instrumentholders upon reasonable notice during normal business hours at the principal office for the time being of the Trustee, being at the Closing Date at One Canada Square, London E14 5AL and at the specified offices for the time being of the Paying Agents.

The statements in these conditions relating to the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Paying Agency Agreement and the other Transaction Documents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Deed of Charge and each other Transaction Document.

Capitalised words and expressions which are used in these Conditions, shall, unless otherwise defined below, have the same meanings as those given in the Master Definitions Schedule set out in schedule 1 (*Master Definitions Schedule*) to the Master Securitisation Agreement dated the Closing Date between, among others, the Issuer, the Mortgage Administrator, the Trustee, the Principal Paying Agent, the Irish Paying Agent and the Seller (as the same may be supplemented, amended and/or restated from time to time) and the following capitalised words and expressions shall have the following meanings:

"**2014B Written Resolutions**" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement.

"**Actual Redemption Funds**" means, at any Determination Date, an amount calculated as the aggregate of:

- (a) the amount standing to the credit of the Principal Ledger; and
- (b) the amount (if any) calculated on that Determination Date to be the amount by which the Principal Deficiency is expected to be reduced by the application of the Available Revenue Fund on the immediately succeeding Interest Payment Date.

"**Affiliate**" means, in relation to any person, any other person who, directly or indirectly is in control of, or controlled by, or is under common control with, such person (and for the purposes of this definition, "**control**" of a person means the power, direct or indirect (i) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person or (ii) to direct or cause the direction of the management and policies of such person, whether by contract or otherwise).

"Agreed Spreadsheet" means the excel spreadsheet prepared for the purposes of calculating the Restructuring Calculations approved by an Extraordinary Resolution of each Class of Instrumentholders pursuant to the 2014B Written Resolutions in the form attached at Schedule 1 (*Agreed Spreadsheet*) to the Amendment and Restructuring (2014A) Agreement and as provided by the Auction/FX Agent to the Issuer and the Cash/Bond Administrator in fully populated form on or about the date of the Amendment and Restructuring (2014A) Agreement.

"Amendment and Restructuring (2014A) Agreement" means the amendment and restructuring agreement dated on or about 4 February 2014 and made between, among others, the Issuer, the Trustee, the Cash/Bond Administrator, the Account Bank, the Collection Account Bank, the GIC Provider, the Irish Paying Agent, the Registrar, the Transfer Agent, the Mortgage Administrator and the Seller.

"Appointee" means any attorney, manager, agent, delegate, nominee, custodian, receiver, administrative receiver or other person appointed by the Trustee under the Trust Deed or the Deed of Charge.

"Apportionment Factor" means in relation to any Interest Payment Date, 0.25.

"Auction/FX Agent" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement.

"Available Revenue Ledger" means the Ledger of such name created by the Cash/Bond Administrator pursuant to the terms of the Cash/Bond Administration Agreement.

"Basic Terms Modification" has the meaning given to such term in paragraph 5 of Schedule 4 (*Provisions for Meetings of Instrumentholders*) to the Trust Deed.

"Business Day" means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London, Dublin and New York.

"Calculation Date" means the Business Day immediately following the date of the Amendment and Restructuring (2014A) Agreement.

"D Reserve Fund Surplus Allocation" has the meaning given to that term in Condition 4(i).

"Delinquencies" means, in relation to a Loan, the amount of payments of interest or interest and scheduled principal due and payable by the related Borrower, which is overdue after cash payments received from that Borrower have been allocated first to missed monthly contractual payments and second to fees, costs and any other amounts.

"Determination Date" means the third Business Day of the calendar month in which an Interest Payment Date occurs.

"Extraordinary Resolution" means (a) a resolution passed at a meeting of the relevant Class or, if two or more Classes are voting on the resolution, at a meeting of the relevant Classes or separate meetings of the relevant Classes, as the case may be, duly convened and held in accordance with the Trust Deed by a majority at each such meeting consisting of not less than 75 per cent. 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 75 per cent. of the votes cast on such poll or (b) a

resolution in writing signed by or on behalf of all the Noteholders of the relevant Class or Classes, as the case may be, provided that a resolution to amend the definition of Permitted Activities or to request that the Issuer undertake any action that is not Permitted Activities shall be required to be passed by holders of not less than 50 per cent. of each of (x) the aggregate Principal Amount Outstanding of the Notes and (y) the Total Number Outstanding of the Residual Certificates.

"FATCA withholding" has the meaning given to such term in Condition 8(b) (*Taxation*).

"First Interest Payment Date" means the Interest Payment Date immediately following the Closing Date.

"First Interest Period" means the Interest Period commencing on the Closing Date.

"Independent Director" means a duly appointed member of the board of directors of the relevant entity who should not have been, at the time of such appointment, or at any time in the preceding five years, a direct or indirect legal or beneficial owner in such entity or any of its affiliates (excluding *de minimus* ownership interests).

"Initial Reserve Amount" means an amount in sterling to be confirmed by the Cash/Bond Administrator in accordance with and pursuant to cell C69 of the Agreed Spreadsheet.

"Insolvency Proceedings" means any corporate action or other steps or legal proceedings for the winding up, dissolution, moratorium, controlled management, similar insolvency proceedings or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer.

"Interest Determination Date" means, in respect of the Notes, the first day of the Interest Period to which the Rate of Interest shall apply.

"Interest Period" means the period from (and including) an Interest Payment Date (or, in the case of the First Interest Period, the Closing Date) to (but excluding) the next (or, in the case of the First Interest Period, first) Interest Payment Date.

"June Restructuring Transaction Costs" has the meaning given to such term in clause 7.1(d) (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement.

"Junior Notes" means the M Notes, the B Notes, the C Notes and/or the D Notes.

"March Restructuring Transaction Costs" has the meaning given to such term in clause 7.1(a) (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement.

"Most Senior Class of Notes" means, at any time:

- (a) the A Notes; or
- (b) if no A Notes are then outstanding, the M Notes; or
- (c) if no A Notes or M Notes are then outstanding, the B Notes; or

- (d) if no A Notes or M Notes or B Notes are then outstanding, the C Notes; or
- (e) if no A Notes or M Notes or B Notes or C Notes are then outstanding, the D Notes.

"Permitted Activities" means the activities contemplated in the Transaction Documents as being undertaken by the Issuer, including (i) the acquisition of the Loans, the Collateral Security and their Related Rights; (ii) the appointment of entities to undertake the administration and servicing of the Loans, the Collateral Security and their Related Rights and the collection and administration of monies relating thereto in accordance with the terms of the Transaction Documents; (iii) the issue of the Instruments, the granting and maintaining of security therefor, the listing and rating thereof and the making of any Basic Terms Modifications thereto; (iv) the entering into of borrowings; (v) the investment of collections from the Loans together with any proceeds retained by the Issuer from the issue of the Instruments and any borrowings; and (vi) the payment of liabilities, maintenance of hedging and administrative functions required to be undertaken in respect of the Instruments.

"Pre-Enforcement Priority of Payments" means the order of priority set out in Condition 2(g) (*Priority of Payments prior to enforcement*).

"Principal Amount Outstanding" means, in respect of (i) a Note on any date shall be the initial principal amount of such Note less (x) the aggregate amount of all Note Principal Payments in respect of such Note that have become due and payable since the Closing Date and on or prior to such date have been paid and (y) any other payments and/or reduction of principal (by the reduction of the Pool Factor or otherwise) or cancellation of principal in respect of such Note (including in accordance with the terms of the Amendment and Restructuring (2014A) Agreement) and (ii) a Class of Notes shall be the aggregate Principal Amount Outstanding of the Notes of that Class as determined in accordance with (i) above.

Effective as of 17:00 (London time) on the Interest Payment Date falling in December 2013, any reference to the Principal Amount Outstanding of the A Notes on the Closing Date shall be construed to mean £270,000,000; any reference to the Principal Amount Outstanding of the M Notes on the Closing Date shall be construed to mean £16,510,000; any reference to the Principal Amount Outstanding of the B Notes on the Closing Date shall be construed to mean £16,190,000; any reference to the Principal Amount Outstanding of the C Notes on the Closing Date shall be construed to mean £10,683,000; any reference to the Principal Amount Outstanding of the D Notes on the Closing Date shall be construed to mean £10,360,000.

"Principal Deficiency" means the amounts recorded as a debit on each Principal Deficiency Ledger established by or on behalf of the Issuer pursuant to the Cash/Bond Administration Agreement.

"Redemption Priority" means the Redemption Pro Rata Priority and/or the Redemption Sequential Priority (as applicable).

"Redemption Pro Rata Priority" has the meaning given to such term in Condition 5(b)(i) (*Mandatory redemption in part of the Notes*).

"Redemption Sequential Priority" has the meaning given to such term in Condition 5(b)(ii) (*Mandatory redemption in part of the Notes*).

"Related Rights" means all ancillary rights, accretions and supplements to the Loans and Collateral Security.

"Relevant Margin" means, in respect of each class of Notes, the per cent. per annum set out in the following table:

| | |
|---------------------|-------|
| Class A Notes | 0.40% |
| Class M Notes | 1.46% |
| Class B Notes | 1.46% |
| Class C Notes | 1.46% |
| Class D Notes | 1.46% |

"Reserve Fund Required Amount" means:

- (a) in respect of the Interest Payment Date falling in March 2014, the Initial Reserve Amount; and
- (b) in respect of the Interest Payment Date falling in June 2014 and each subsequent Interest Payment Date:
 - (i) if the Trigger Condition is satisfied on the Determination Date immediately preceding such Interest Payment Date, the lesser of:
 - (A) 1.50 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the immediately preceding Interest Payment Date after the application of the Available Revenue Fund and the Actual Redemption Funds on such Interest Payment Date; and
 - (B) the Initial Reserve Amount; and
 - (ii) if the Trigger Condition is not satisfied on the Determination Date immediately preceding such Interest Payment Date, the Reserve Fund Required Amount in respect of the immediately preceding Interest Payment Date.

"Reserve Fund Surplus" means, as of any Interest Payment Date (the **"Current Interest Payment Date"**), the amount (if any) by which the Reserve Fund as at the immediately preceding Determination Date, prior to the transfer of any part of the Reserve Fund to the Available Revenue Ledger from the Reserve Ledger, exceeds the Reserve Fund Required Amount calculated for the Current Interest Payment Date.

"Residual Revenue" means, as of any Interest Payment Date, an amount calculated as being the aggregate of (a) the amount of the Available Revenue Fund available to make the payments at item (xviii) of the Pre-Enforcement Priority of Payments (or the amount of funds available to the Trustee to make the payments at item (x) of the Post-Enforcement Priority of Payments as applicable) and (b) the total amount standing to the credit of the Prepayment Charges Ledger as at the immediately preceding Determination Date.

"**Restructuring Calculations**" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement.

"**Total Number Outstanding**" means 10,000.

"**Transaction Documents**" means the Trust Deed, the Deed of Charge, the Paying Agency Agreement, the Mortgage Administration Agreement, the Closing Arrangements Deed, the Cash/Bond Administration Agreement, the Mortgage Sale Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Guaranteed Investment Contract, the Master Definitions Schedule, the Master Securitisation Agreement, the Scottish Declaration of Trust, any Supplemental Scottish Declaration of Trust, any Supplemental Deed of Charge, the Subscription Agreement, the Amendment and Restructuring (2014A) Agreement, the Bank Agreement and the Supplemental (2014A) Deed of Charge, and each a "**Transaction Document**".

"**Trigger Condition**" is satisfied on a Determination Date if:

- (a) the Reserve Fund was at the Reserve Fund Required Amount on the immediately preceding Interest Payment Date;
- (b) the Available Revenue Fund (including, for the avoidance of doubt, the amount of the Reserve Fund (if any) transferred on such Determination Date to the Available Revenue Ledger from the Reserve Fund Ledger) is sufficient to satisfy items (i) to (xv) (both inclusive) of the Pre-Enforcement Priority of Payments **provided that**, for the purpose only of the determination as to whether the Trigger Condition is or is not satisfied, the Reserve Fund Required Amount for item (xv) of the Pre-Enforcement Priority of Payments shall be deemed to be equal to the Reserve Fund Required Amount as at the immediately preceding Interest Payment Date; and
- (c) as at such Determination Date, the aggregate Principal Balance of all Loans in the Mortgage Pool that have Delinquencies which are 90 days or more overdue (including Repossession Loans) as a percentage of the aggregate Principal Balance of all Loans in the Mortgage Pool does not exceed 15 per cent. (or such greater percentage agreed between the Issuer (with the consent of the Noteholders of each Class of Notes, acting by Extraordinary Resolution) and the Rating Agencies from time to time upon the basis that such greater percentage will not adversely affect the then current ratings of the Notes).

1. **Form, Denomination and Title**

- (a) The A Notes, the M Notes, the B Notes, the C Notes and the D Notes (together, the "**Notes**") are each issued in fully registered form without principal receipts, interest coupons or talons attached, and may be held or traded in holdings in the minimum aggregate original principal amount of £50,000 and integral multiples of £1,000 in excess thereof.
- (b) The Principal Amount Outstanding of the Notes of each Class offered and sold outside the United States solely to non-U.S. Persons in offshore transactions (as defined in Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**Securities Act**"), is represented initially by a global certificate in fully registered form (each a "**Reg S Global Note**"). The Principal Amount Outstanding of

the Notes of each Class offered and sold within the United States in reliance on Rule 144A under the Securities Act ("**Rule 144A**") solely to qualified institutional buyers as defined therein ("**Qualified Institutional Buyers**") is represented initially by a global note in fully registered form (each a "**Rule 144A Global Note**" and together with the Reg S Global Notes, the "**Global Notes**"). References herein to the "Notes" shall include (i) in relation to any Notes represented by a Global Note, units in denominations of £1,000, (ii) Definitive Notes issued in exchange for a Global Note and (iii) any Global Note.

- (c) If (i) the Notes become due and repayable pursuant to Condition 9(a) (*Events of Default*), (ii) in the case of a Reg S Global Note, either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or has in fact done so and no successor clearing system acceptable to the Trustee is available, (iii) in the case of the Rule 144A Global Notes, DTC has notified the Issuer that it is at any time unwilling or unable to continue as the holder with respect to the Rule 144A Global Notes, or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency under the Exchange Act and a successor to DTC registered as a clearing agency under the Exchange Act is not appointed by the Issuer within 90 days of such notification or cessation, or (iv) as a result of any amendment to, or change in, (a) the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or (b) the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer is or the Paying Agents are or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will, within 30 days of the occurrence of the relevant event, issue serially numbered Notes, as applicable, in definitive form in exchange for the whole outstanding interest in (a) the Reg S Global Notes (with respect to items (i), (ii) and (iv) above) and (b) the Rule 144A Global Notes (with respect to items (i), (iii) and (iv) above); provided that in no event will the Notes be issued in definitive bearer form.
- (d) Title to the Notes will pass by transfer and registration as described below.
- (e) With respect to the Notes, subject as provided below, the person listed in the register (the "**Register**") as the holder of any such Note will (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of payments), as the absolute owner of such Note regardless of any notice of ownership, theft or loss, or of any trust or other interest therein or of any writing thereon or, if more than one person, the first named of such person will be treated as the absolute owner of such Note (save to the extent that in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants), and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.
- (f) The Issuer will cause to be kept at the specified office of the Registrar the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of such Notes held by them and all transfers and redemptions of such

Notes. No transfer of such Notes will be valid unless and until entered on the Register.

- (g) Transfers and exchanges of beneficial interests in the Global Notes and entries on the Register relating to the Notes will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Trust Deed and the legend appearing on the face of the Notes. In no event will a transfer of a beneficial interest in a Global Note or a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Trustee and, if with respect to the Notes, the Registrar.

2. Status, Security and Administration

Status and relationship between Classes of Notes

- (a) The Notes of each Class constitute direct, secured (as more particularly described in the Deed of Charge) and unconditional obligations of the Issuer and rank *pari passu* without preference or priority amongst Notes of the same Class.
- (b) Prior to the enforcement of the security created by or pursuant to the Deed of Charge (the "**Security**"), payment of interest on the Notes will be made in accordance with the order of priority set out in Condition 2(g) (*Status, Security and Administration*) and mandatory payments of principal pursuant to Condition 5(b) (*Mandatory redemption in part of the Notes*) will be made in accordance with the order of priority set out in such Condition. In the event of the Security being enforced, payment of principal and interest on the Notes will be made in accordance with the order of priority set out in Condition 2(h) (*Status, Security and Administration*).
- (c) The Trust Deed and the Deed of Charge contain provisions requiring the Trustee to have regard to the interests of the holders of the A Notes (the "**A Noteholders**"), the holders of the M Notes (the "**M Noteholders**"), the holders of the B Notes (the "**B Noteholders**") and the holders of the C Notes (the "**C Noteholders**") and the holders of the D Notes (the "**D Noteholders**") equally as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only to:
- (i) the interests of the A Noteholders if, in the Trustee's sole opinion, there is a conflict between the interests of the A Noteholders and the interests of the M Noteholders, the B Noteholders, the C Noteholders and/or the D Noteholders;
- (ii) subject to (i) above or if there are no A Notes outstanding, the interests of the M Noteholders if, in the Trustee's sole opinion, there is a conflict between the interests of the M Noteholders and the interests of the B Noteholders, C Noteholders and/or the D Noteholders;
- (iii) subject to (i) and (ii) above or if there are no A Notes or M Notes outstanding, the interests of the B Noteholders if, in the Trustee's sole opinion, there is a

conflict between the interests of the B Noteholders and the interests of the C Noteholders and/or the D Noteholders; and

- (iv) subject to (i), (ii) and (iii) above or if there are no A Notes, M Notes or B Notes outstanding, the interests of the C Noteholders if, in the Trustee's sole opinion, there is a conflict between the interests of the C Noteholders and the interests of the D Noteholders.
- (d) The Trust Deed contains provisions limiting the powers of a Class of Noteholders, *inter alia*, to pass any Extraordinary Resolution according to the effect thereof on the interests of the holders of the Class or Classes ranking senior thereto in any Priority of Payments. Except in certain circumstances, the Trust Deed imposes no such limitations on the power of a Class of Noteholders to bind any Class or Classes of Noteholders ranking junior thereto in any Priority of Payments.
- (e) The Trust Deed contains provisions to the effect that, so long as any of the Notes are outstanding and subject to Condition 2(c) the Trustee shall not be required, when exercising its powers, authorities and discretions, to have regard to the interests of, or act at the direction of, any persons having the benefit of the Security, other than the Noteholders and the Residual Certificateholders in accordance with the Trust Deed, and, in relation to the exercise of such powers, authorities and discretions, the Trustee shall have no liability to such persons as a consequence of so acting.

Security

- (f) As security for the payment of all monies payable in respect of the Notes, the Residual Certificates and otherwise under the Trust Deed (including the remuneration, expenses and any other claims of the Trustee and any receiver appointed under the Deed of Charge) and in respect of certain amounts payable to the Mortgage Administrator under the Mortgage Administration Agreement, the Cash/Bond Administrator under the Cash/Bond Administration Agreement, the Standby Mortgage Administrator under the Mortgage Administration Agreement, the Standby Cash/Bond Administrator under the Cash/Bond Administration Agreement, the Principal Paying Agent, the Irish Paying Agent, the U.S. Paying Agent, any other Paying Agent, the Registrar, the Transfer Agents, the Exchange Agent and the Agent Bank under the Paying Agency Agreement, the Account Bank and the Collection Account Bank under the Bank Agreement, the GIC Provider under the Guaranteed Investment Contract, the Corporate Services Provider under the Corporate Services Agreement and the Seller in respect of its entitlement to unpaid consideration under the Mortgage Sale Agreement, the Issuer has entered into the Deed of Charge and the Supplemental (2014A) Deed of Charge, creating the following security in favour of the Trustee for itself and on trust for the other persons expressed to be secured parties thereunder (save that the Trustee shall hold the benefit of its security interest with respect to the Prepayment Charges Receipts solely for the benefit of the Residual Certificateholders) (such parties, the "**Secured Creditors**"):
 - (i) a first fixed charge in favour of the Trustee over the Issuer's interests in each Loan, each related Mortgage and all other collateral security given or obtained in connection with such Loan in the Mortgage Pool (such collateral security, together with the Mortgages, the "**Collateral Security**" and including, without limitation, (1) the benefit of all affidavits, declarations, consents,

renunciations, waivers and deeds of postponement from occupiers and other persons having an interest in or rights in connection with the relevant Property, (2) the benefit of (including notations of interest on) insurance and assurance policies (including, without limitation, all returns of premium and proceeds in respect of such policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property, and (3) (to the extent assignable without the consent of the relevant counterparty) all courses and rights of action (whether assigned to the Issuer or otherwise) against valuers, solicitors, the Land Registry of England and Wales and the Registers of Scotland or any other person in connection with any report (including a report on title), valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with the relevant Loan, Mortgage, other collateral security or Property) and, in relation to Loans which are Scottish Loans, such fixed charge is in the form of an assignation in security, governed by Scots law, of the Issuer's interests in each such Scottish Loan, its related Scottish Mortgage and other Collateral Security as comprised in the Scottish Trust;

- (ii) an assignment in favour of the Trustee of the Issuer's interests in the insurance contracts to the extent that they relate to the Loans and their related Collateral Security;
- (iii) an assignment in favour of the Trustee of the benefit of the Issuer in each of the Transaction Documents (other than the Trust Deed and the Deed of Charge);
- (iv) a first fixed charge in favour of the Trustee over the Issuer's interest in the Bank Accounts and any other bank accounts or Authorised Investments in which the Issuer has an interest; and
- (v) a first floating charge in favour of the Trustee (ranking after the security referred to in paragraphs (i) to (iv) above) over the whole of the undertaking, property, assets and rights of the Issuer, (such property, assets, rights, accounts, undertaking, together, the "**Charged Property**").

Priority of Payments prior to enforcement

- (g) The "**Available Revenue Fund**" at any time comprises the credit balance of the Available Revenue Ledger at that time. Prior to the Security becoming enforceable, on each Interest Payment Date the Issuer shall be required to apply the Available Revenue Fund calculated as at the immediately preceding Determination Date (and taking into account any payments to be made or received from that date up to and including the immediately following Interest Payment Date) in or towards the satisfaction of the following items in the following order of priority (the "**Pre-Enforcement Priority of Payments**"):
 - (i) first, when due, the remuneration payable to the Trustee or any Appointee (plus value added tax, if any) and any costs, charges, liabilities and expenses incurred by the Trustee or any Appointee under the provisions of or in connection with the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge or any other Transaction Document together with

any applicable interest as provided in the Trust Deed or the Deed of Charge or the Supplemental (2014A) Deed of Charge;

(ii) second, *pro rata*:

- (A) amounts, when due, including audit fees, company secretarial expenses and costs and expenses incurred in connection with the appointment of any substitute administrator (plus value added tax, if any), which are payable by the Issuer to third parties and incurred without breach by the Issuer pursuant to the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge or the Cash/Bond Administration Agreement and not provided for payment elsewhere and to provide for any such amounts expected to become due and payable by the Issuer during the Interest Period commencing on that Interest Payment Date and to provide for the Issuer's primary liability or possible primary liability for corporation tax;
- (B) an amount, when due, equal to any premia due in respect of insurance contracts held by the Issuer; and
- (C) an amount equal to £950 by crediting the Profit Ledger;

(iii) third, *pro rata*:

- (A) except to the extent already paid to the Mortgage Administrator since the preceding Interest Payment Date or, in the case of the First Interest Payment Date, since the Closing Date (1) the mortgage administration fee due and payable under the Mortgage Administration Agreement, such fee being up to a maximum of the product of 0.25 per cent. per annum and the aggregate Principal Balance of the Loans as at the Determination Date immediately preceding the immediately prior Interest Payment Date, multiplied by the Apportionment Factor and (2) any costs and expenses incurred by the Mortgage Administrator in accordance with the Mortgage Administration Agreement;
- (B) except to the extent already paid to the Cash/Bond Administrator since the preceding Interest Payment Date or, in the case of the First Interest Payment Date, since the Closing Date (1) the Cash/Bond Administration Fee due and payable under the Cash/Bond Administration Agreement to the Cash/Bond Administrator and (2) any costs and expenses incurred by the Cash/Bond Administrator due and payable in accordance with the Cash/Bond Administration Agreement;
- (C) prior to the assumption by the Standby Mortgage Administrator of the duties and obligations of the Mortgage Administrator, (1) the Standby Mortgage Administrator Fixed Fee in an amount of no more than £6,000 per annum (plus value added tax chargeable on the fee up to a rate of 17.5 per cent.), due and payable pursuant to the Mortgage Administration Agreement to the Standby Mortgage Administrator divided by four and (2) costs and expenses incurred by the Standby

Mortgage Administrator in accordance with the Mortgage Administration Agreement;

- (D) prior to the assumption by the Standby Cash/Bond Administrator of the duties and obligations of the Cash/Bond Administrator, (1) the Standby Cash/Bond Administrator Fixed Fee in an amount of no more than £3,000 per annum (plus value added tax chargeable on the fee up to a rate of 17.5 per cent.), due and payable pursuant to the Cash/Bond Administration Agreement to the Standby Cash/Bond Administrator divided by four and (2) costs and expenses incurred by the Standby Cash/Bond Administrator in accordance with the Cash/Bond Administration Agreement;
 - (E) (1) the corporate services fee (inclusive of value added tax if any) due and payable pursuant to the Corporate Services Agreement to the Corporate Services Provider divided by four and (2) costs and expenses incurred by the Corporate Services Provider in accordance with the Corporate Services Agreement;
 - (F) amounts due to the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent and the Agent Bank under the Paying Agency Agreement;
 - (G) amounts due to the GIC Provider under the Guaranteed Investment Contract; and
 - (H) amounts due to the Account Bank and the Collection Account Bank under the Bank Agreement;
- (iv) fourth, to pay *pro rata* any March Restructuring Transaction Costs and to pay *pro rata* any June Restructuring Transaction Costs (as applicable) in each case to the extent not paid from amounts credited to the Restructuring Costs Ledger in accordance with clause 7.1 (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement or pursuant to paragraphs (i) to (iii) above;
 - (v) fifth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the A Notes;
 - (vi) sixth, to apply amounts to reduce the A Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the A Principal Deficiency Ledger) such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*);
 - (vii) seventh, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the M Notes;
 - (viii) eighth, to apply amounts to reduce the M Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the M Principal Deficiency Ledger), such amounts to be applied in redemption of the

Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*);

- (ix) ninth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the B Notes;
- (x) tenth, to apply amounts to reduce the B Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the B Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*);
- (xi) eleventh, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the C Notes;
- (xii) twelfth, to apply amounts to reduce the C Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the C Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*);
- (xiii) thirteenth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the D Notes (other than any D Reserve Fund Surplus Allocation);
- (xiv) fourteenth, to apply amounts to reduce the D Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the D Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*);
- (xv) fifteenth, except upon the Interest Payment Date on which the Notes are redeemed in full, (by crediting the Reserve Ledger) to increase the balance of the Reserve Fund until it reaches the Reserve Fund Required Amount;
- (xvi) sixteenth, to pay *pari passu* and *pro rata* the amount of D Reserve Fund Surplus Allocation due and payable on the D Notes;
- (xvii) seventeenth, *pari passu* and *pro rata*:
 - (A) to the Standby Mortgage Administrator of an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee due and payable under paragraph (iii) (C) above to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and
 - (B) to the Standby Cash/Bond Administrator of an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee due and payable under paragraph (iii)(D) above to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and

(xviii) eighteenth, in or towards payment *pari passu* and *pro rata*, of RC Distributions to the Residual Certificateholders.

In the event that any payment is to be made from the Available Revenue Fund by the Issuer and the relevant amount of the Available Revenue Fund is not denominated in the relevant currency in which such payment is to be made, the Issuer shall convert the relevant amounts comprised in the Available Revenue Fund to make such payment into such currency at the then prevailing spot rate of exchange as may be required in order to be applied in or towards such payment.

In addition to payments pursuant to item (xviii) of the Pre-Enforcement Priority of Payments above, the Residual Certificateholders will, on each Interest Payment Date, be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger as at the close of business on the Determination Date immediately preceding such Interest Payment Date.

Priority of Payments Post-Enforcement

- (h) After the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) declaring the Notes to be due and repayable, the Trustee shall, to the extent of the funds available to the Issuer and from the proceeds of enforcement of the Security (other than amounts standing to the credit of the Prepayment Charges Ledger) make payments in or towards satisfaction of the following items in the following order of priority (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Priority of Payments, the "**Priority of Payments**") pursuant to, in accordance with and as set out more fully in the Deed of Charge:
- (i) first, to pay, *pro rata*, any remuneration then due to the Trustee, any receiver or administrator appointed by the Trustee or any other Appointee of the Trustee and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by the Trustee, such receiver or administrator or such Appointee together with interest thereon (plus value added tax, if any);
 - (ii) second, to pay, *pro rata*, the fees, costs, expenses and liabilities due to the Mortgage Administrator, the Cash/Bond Administrator, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator (the fees of such Standby Mortgage Administrator and Standby Cash/Bond Administrator to be paid together with value added tax up to a rate of 17.5 per cent. only), the Corporate Services Provider, the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent, the Agent Bank, the Account Bank, the Collection Account Bank and the GIC Provider, together with value added tax (if any) chargeable thereon;
 - (iii) third, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the A Notes;
 - (iv) fourth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the M Notes;

- (v) fifth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the B Notes;
- (vi) sixth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the C Notes;
- (vii) seventh, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the D Notes;
- (viii) eighth, to pay, *pro rata*:
 - (A) to the Standby Mortgage Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and
 - (B) to the Standby Cash/Bond Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.;
- (ix) ninth, to pay an amount equal to £950 by crediting the Profit Ledger; and
- (x) tenth, in or towards payment, *pari passu* and *pro rata*, of RC Distributions to the Residual Certificateholders.

In such distribution, the manner of making payments to the Noteholders shall remain as specified prior to the Notes being declared due and payable. The Noteholders have limited recourse to the Issuer in respect of the payments prescribed above and accordingly are entitled to bring a claim under English law (subject to the terms of the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge and Condition 18 (*Non Petition and Limited Recourse*)) for the full amount of such payments in accordance with Condition 10 (*Enforcement of Notes*).

The Security will become enforceable upon the giving of an Enforcement Notice pursuant to Condition 9(a) (*Events of Default*) or upon any failure by the Issuer to pay the full amount when due on the Notes pursuant to Condition 5(a) (*Final redemption*) or following the giving of notice of redemption of the Notes pursuant to Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either (A) the Trustee is satisfied that sufficient amounts would be realised to allow discharge in full of all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* therewith or in priority thereto; or (B) the Trustee is of the sole opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Trustee, acting in its absolute discretion, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due

course all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* with or in priority thereto.

In addition to payments pursuant to item (x) of the Post Enforcement Priority of Payments above, the Residual Certificateholders will, on each Interest Payment Date, be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger as at the close of business on the Determination Date immediately preceding such Interest Payment Date.

Control of Trustee

- (i) The Notes are subject to the Deed of Charge and the Supplemental (2014A) Deed of Charge pursuant to which the claims and exercise of rights by the beneficiaries of the Security against the Issuer are regulated.

3. Covenants

Save with the prior written consent of the Trustee (but subject as provided in Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*)) or as provided in or envisaged by any of the Transaction Documents, the Issuer shall not for so long as any Note remains outstanding (as defined in the Master Definitions Schedule):

(a) *Negative pledge*

create or permit to subsist any mortgage, sub-mortgage, assignment, assignation, standard security, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation, assignation or other security interest whatsoever upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking;

(b) *Restrictions on activities*

- (i) engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
- (ii) open nor have any interest in any account whatsoever with any bank or other financial institution other than the Bank Accounts and the Collection Account, save where such account is immediately charged in favour of the Trustee so as to form part of the assets subject to the Security described in Condition 2 (*Status, Security and Administration*) and the Trustee receives from such other bank or financial institution an acknowledgement of the security rights and interests of the Trustee and an agreement that it will not exercise any right of set off it might otherwise have against the account in question;
- (iii) have any subsidiaries or employees or own, rent, lease or be in possession of any assets (including, without limitation, buildings, premises or equipment);
- (iv) act as a director of or hold any office in any company or other organisation;
- (v) amend, supplement or otherwise modify its Memorandum or Articles of Association or other constitutive documents; or

- (vi) engage, or permit any of its affiliates to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under U.S. federal income tax principles, and hold, or permit any of its affiliates to hold, any mortgaged property that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under U.S. federal income tax principles;
- (c) *Dividends or distributions*

pay any dividend or make any other distribution to its shareholders (other than amounts paid from the Profit Ledger) or issue any further shares;
- (d) *Borrowings*

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or any obligation of any person;
- (e) *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (f) *Disposal of assets*

transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option over any present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein;
- (g) *Tax grouping*
 - (i) apply to become part of any group for the purposes of Section 43 of the Value Added Tax Act 1994 with any other company or group of companies, or any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994; or
 - (ii) surrender or consent to the surrender of any amounts by way of group relief within the meaning of Chapter IV of Part X of the Income and Corporation Taxes Act 1988;
- (h) *Other*

permit any of the Transaction Documents, the insurance contracts relating to the Mortgages from time to time owned by the Issuer or the priority of the security interests created thereby to be amended, invalidated, rendered ineffective, terminated, postponed or discharged, or consent to any variation thereof, or exercise any powers of consent or waiver in relation thereto pursuant to the terms of the Trust Deed, these Conditions and the Residual Certificate Conditions, or permit any party to any of the Transaction Documents or insurance contracts or any other person whose obligations

form part of the Security to be released from such obligations, or dispose of any part of the Security save as envisaged in the Transaction Documents; and

(i) *Independent Director*

at any time have fewer than one Independent Director.

In giving any consent to the foregoing, the Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Trustee, acting in its absolute discretion may deem expedient in the interests of the Noteholders, provided that S&P and Fitch provide written confirmation to the Trustee that the then-current ratings of the Notes will not be downgraded, withdrawn or qualified as a result of such modifications or additions and notice of such modification and/or addition is given to Moody's.

4. **Interest**

(a) *Period of Accrual*

Each Note of each Class bears interest from (and including) the Closing Date. Each Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused or unless default is otherwise made in respect of the payment, in which event, interest will continue to accrue as provided in the Trust Deed.

(b) *Interest Payment Dates and Interest Periods*

Subject to Condition 6 (*Payments*), interest on the Notes is payable in sterling (as defined in the Master Definitions Schedule) in arrear on the 13th day of March, June, September and December in each year (or if such day is not a Business Day, the next succeeding Business Day) (each such date an "**Interest Payment Date**").

(c) *Rate of Interest*

Subject to Condition 7 (*Prescription*), the rate of interest payable from time to time (the "**Rate of Interest**") and the Interest Amount (as defined below) in respect of each Class of the Notes will be determined on the basis of the provisions set out below:

- (i) on each Interest Determination Date, the Agent Bank will determine the offered quotation to leading banks in the London Interbank market for three month sterling deposits in the London Interbank market by reference to the display designated as the Interest Settlement Rate of the British Bankers Association (or any other person which takes over the administration of that rate) as quoted on the Reuters Screen Page LIBOR01 or:
 - (A) such other page as may replace the Reuters Screen Page LIBOR01 on that service for the purpose of displaying such information; or
 - (B) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such service as at or about 11.00 a.m. (London time) on that date,

(the "**Screen Rate**"). If the Screen Rate is unavailable, the Agent Bank will request the principal London office of each of the Reference Banks (as defined in Condition 4(h) (*Reference Banks and Agent Bank*) below) to provide the Agent Bank with its offered quotation as at or about 11.00 a.m. (London time) on that date to leading banks in the London interbank market for three month sterling deposits. The Rate of Interest for each Class for such Interest Period shall, subject as provided below, be the Relevant Margin above the relevant Screen Rate or, as the case may be, above the relevant arithmetic mean (rounded if necessary to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards) of the quotations of the Reference Banks;

- (ii) if, on the relevant Interest Determination Date, the Screen Rate is unavailable and only two of the Reference Banks provide such quotations, the Rate of Interest for the relevant Interest Period shall be determined (in accordance with (i) above) on the basis of the quotations of the two quoting Reference Banks;
- (iii) if, on the relevant Interest Determination Date, the Screen Rate is unavailable and only one or none of the Reference Banks provides such a quotation, then the Rate of Interest for the relevant Interest Period shall be the Reserve Interest Rate. The "**Reserve Interest Rate**" shall be the rate per annum which the Agent Bank determines to be either:
 - (A) the Relevant Margin above the arithmetic mean (rounded if necessary to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards) of the sterling lending rates which leading banks in London (selected by the Agent Bank in its absolute discretion) are quoting, as at or about 11.00 a.m. (London time) on the relevant Interest Determination Date, for the relevant Interest Period to those of the Reference Banks which are leading London banks or those of them (being at least two in number) to which such quotations are in the sole opinion of the Agent Bank being so made; or
 - (B) if the Agent Bank certifies that it cannot determine such arithmetic mean, the Relevant Margin above the average of the sterling lending rates which leading banks in London (selected by the Agent Bank in its absolute discretion) are quoting on the relevant Interest Determination Date to leading banks which have their head offices in London for the relevant Interest Period,

provided that if the Agent Bank certifies as aforesaid and further certifies that none of the banks selected as provided in (B) above is quoting to leading banks as aforesaid, then the Reserve Interest Rate shall be the Rate of Interest in effect for the Interest Period immediately preceding the relevant Interest Determination Date.

(d) *Determination of Rates of Interest and Calculation of Interest Amounts*

The Agent Bank shall, on each Interest Determination Date, determine and notify in writing the Issuer, the Mortgage Administrator, the Cash/Bond Administrator, the Trustee, the Irish Stock Exchange and the Paying Agents:

- (i) the Rate of Interest applicable to the relevant Interest Period, and
- (ii) the sterling amount equal to the Rate of Interest in respect of each Note multiplied by the Principal Amount Outstanding of such Note and then multiplied by the actual number of days elapsed in the Interest Period and divided by 365 and rounded down to the nearest pence (each, an "**Interest Amount**") payable in respect of such Interest Period in respect of each Note.

(e) *Publication of Rate of Interest, Interest Amount and other Notices*

As soon as practicable after providing notification thereof, the Agent Bank (on behalf of the Issuer) will cause the Rate of Interest and the Interest Amounts for each Interest Period and the immediately succeeding Interest Payment Date to be notified to each stock exchange and competent listing authority (if any) on which the Notes are then listed and will cause notice thereof to be given in accordance with Condition 14 (*Notice to Noteholders*). The Interest Amounts 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 any extension or shortening of the Interest Period.

(f) *Determination or calculation by Trustee*

If the Agent Bank does not at any time for any reason determine any Rate of Interest and/or calculate any Interest Amount in accordance with the foregoing paragraphs, the Trustee shall (at the cost of the Issuer):

- (i) determine or procure the determination of the Rate of Interest not so determined at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances, and
- (ii) calculate or procure the calculation of the Interest Amount not so calculated in the manner specified in paragraph (i) above,

and any such determination and/or calculation by, or procured by, the Trustee shall be notified (at the cost of the Issuer) in accordance with Condition 4(d) (*Determination of Rates of Interest and Calculation of Interest Amounts*) and Condition 4(e) (*Publication of Rate of Interest, Interest Amount and other Notices*) above and shall be deemed to have been made by the Agent Bank.

(g) *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Cash/Bond Administrator, the Reference Banks, the Agent Bank, the Trustee and all Instrumentholders and (in the absence of wilful default or bad faith) no liability to the Trustee, the Instrumentholders shall attach to the Issuer, to the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or

non-exercise by them or any of them of their powers, duties and discretions hereunder.

(h) *Reference Banks and Agent Bank*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be four Reference Banks and an Agent Bank. The Reference Banks shall be the principal London office of four major banks in the London interbank market (the "**Reference Banks**"). In the event of the principal London office of any such bank being unable or unwilling to continue to act as a Reference Bank or in the event of the Agent Bank being unwilling to act as the Agent Bank, the Issuer shall appoint such other bank as may be approved by the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved by the Trustee has been appointed.

(i) *Class D Reserve Fund Surplus Allocation*

On each Interest Payment Date, the Issuer shall make payment to the D Noteholders of an amount equal to the Reserve Fund Surplus, if any (as determined in respect of that Interest Payment Date by the Cash/Bond Administrator in accordance with the terms of the Cash/Bond Administration Agreement) as an additional payment to the holders of the D Notes (such payment not to be considered a repayment or redemption of the Principal Amount Outstanding of the D Notes) (the "**D Reserve Fund Surplus Allocation**"). The payment of the D Reserve Fund Surplus Allocation shall be made in accordance with the Pre-Enforcement Priority of Payments.

5. **Redemption**

(a) *Final redemption*

Unless previously redeemed as provided in this Condition, the Issuer shall redeem the Notes at their Principal Amount Outstanding on the Interest Payment Date falling in September 2045.

The Issuer may not redeem Notes in whole or in part prior to the relevant Interest Payment Date indicated in this Condition 5(a) (*Final redemption*) except as provided in Condition 5(b) (*Mandatory redemption in part of the Notes*), Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) of this Condition 5 (*Redemption*), but without prejudice to Condition 9 (*Events of Default*).

(b) *Mandatory redemption in part of the Notes*

(i) On:

- (A) each Interest Payment Date falling prior to the Interest Payment Date in March 2015, other than the Interest Payment Date on which the Notes are to be redeemed under Condition 5(a) (*Final redemption*) above or Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*), below; and
- (B) any other Interest Payment Date, other than the Interest Payment Date on which the Notes are to be redeemed under Condition 5(a) (*Final*

redemption) above or Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) below, immediately succeeding a Determination Date on which:

- (1) the Trigger Condition is not satisfied; or
- (2) the aggregate Principal Amount Outstanding of the Notes on such date is less than 10 per cent. of the value of the Principal Balance of the Loans in the Mortgage Pool as at the Closing Date,

the Issuer shall apply an amount equal to the Actual Redemption Funds determined as at the Determination Date falling immediately prior to such Interest Payment Date in making payment in the following priority (the "**Redemption Sequential Priority**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) and in each case making a debit to the Principal Ledger:

- a. in redeeming, *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), the A Notes until the Interest Payment Date on which the A Notes have been redeemed in full;
 - b. after the A Notes have been redeemed in full, in redeeming, *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), the M Notes until the Interest Payment Date on which the M Notes have been redeemed in full;
 - c. after the A Notes and the M Notes have been redeemed in full, in redeeming, *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), the B Notes until the Interest Payment Date on which the B Notes have been redeemed in full;
 - d. after the A Notes, the M Notes and the B Notes have been redeemed in full, in redeeming, *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), the C Notes until the Interest Payment Date on which the C Notes have been redeemed in full; and
 - e. after the A Notes, the M Notes, the B Notes and the C Notes have been redeemed in full, in redeeming, *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), the D Notes until the Interest Payment Date on which the D Notes have been redeemed in full,
- (ii) On any Interest Payment Date other than an Interest Payment Date on which the Actual Redemption Funds would be applied by the Issuer in accordance with Condition 5(b)(i) above, the Issuer shall apply an amount equal to the Actual Redemption Funds determined as at the Determination Date falling immediately prior to such Interest Payment Date *pari passu* and *pro rata* (in accordance with the Principal Amount Outstanding of each), between each Class of Notes then outstanding (the "**Redemption Pro Rata Priority**") and in each case making a debit to the Principal Ledger.

(iii) The Cash/Bond Administrator is responsible, pursuant to the Cash/Bond Administration Agreement, for determining the amount of the Actual Redemption Funds and the amounts required to reduce the balance of each Principal Deficiency Ledger in each case to zero as at any Determination Date and each determination so made shall (in the absence of negligence, wilful default, bad faith or manifest error) be final and binding on the Issuer, the Mortgage Administrator, the Trustee and all Instrumentholders and no liability to the Instrumentholders shall attach to the Issuer, the Trustee or (in such absence as aforesaid) to the Cash/Bond Administrator in connection therewith.

(c) *Note Principal Payments, Principal Amount Outstanding and Pool Factor*

The principal amount so payable in respect of each Note of each Class (the "**Note Principal Payment**") on any Interest Payment Date under Condition 5(b) (*Mandatory redemption in part of the Notes*) above shall be the amount calculated on the Determination Date immediately preceding that Interest Payment Date to be applied in redemption of Notes of that Class divided by the number of Notes of that Class outstanding on the relevant Interest Payment Date (rounded down to the nearest pound); provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

With respect to each Note of each Class on (or as soon as practicable after) each Determination Date, the Issuer shall determine (or cause the Cash/Bond Administrator to determine):

- (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Determination Date;
- (ii) the Principal Amount Outstanding of such Note on the Interest Payment Date next following such Determination Date (after deducting any Note Principal Payment due to be made in respect of that Note on that Interest Payment Date); and
- (iii) the fraction expressed as a decimal to the tenth point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of a Note of that class (as referred to in paragraph (ii) above) and the denominator is the principal amount of that Note on issue expressed as an entire integer.

Each determination by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

With respect to each Class of Notes the Issuer will cause each determination of a Note Principal Payment, Principal Amount Outstanding and Pool Factor to be notified in writing forthwith to the Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as the Notes are listed on or by one or more stock exchanges and/or competent listing authorities) the relevant stock exchanges and/or competent listing authorities, and will immediately cause notice of each determination of a Note Principal Payment, Principal Amount Outstanding and Pool Factor to be given in accordance with Condition 14 (*Notice to Noteholders*) by not later than one Business

Day prior to the relevant Interest Payment Date. If no Note Principal Payment is due to be made on the Notes of any Class on any Interest Payment Date a notice to this effect will be given to the Noteholders.

If the Issuer does not at any time for any reason determine (or cause the Cash/Bond Administrator to determine) with respect to each Class of Notes, a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this paragraph, such Note Principal Payment, Principal Amount Outstanding and Pool Factor may be determined by the Trustee, acting in its absolute discretion, in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer or the Cash/Bond Administrator (as applicable).

(d) *Early Redemption*

On any Interest Payment Date following receipt by the Issuer of a notice from the Mortgage Administrator that the Mortgage Administrator intends to exercise its option under the Mortgage Administration Agreement to purchase or arrange for the purchase of, the remaining Loans from the Issuer on any Interest Payment Date following a date on which the aggregate Principal Amount Outstanding (as defined in Condition 6 (*Payments*)) of the Notes is less than 10 per cent. of the Principal Balance of the Loans in the Mortgage Pool as at the Closing Date, the Issuer will upon giving no more than 60 nor less than 30 days' written notice to the Trustee, the Noteholders in accordance with Condition 14 (*Notice to Noteholders*), redeem all (but not some only) of the Notes at their Principal Amount Outstanding plus any accrued but unpaid interest, provided that prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person (other than any security interest held by the Trustee in such funds for the benefit of the Secured Creditors), required to redeem the Notes plus any accrued but unpaid interest as aforesaid and any amounts payable in priority thereto under the applicable Priority of Payments.

(e) *Redemption for tax reasons*

If:

- (i) the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that either:
 - (A) on the next Interest Payment Date the Issuer would be required by reason of a change in law, or the interpretation or administration thereof to deduct or withhold from any payment of principal or interest on the Notes (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority thereof or therein, or
 - (B) reserved

- (C) the total amount payable in respect of interest in relation to any of the Loans during an Interest Period ceases to be receivable (whether by reason of any Borrower being obliged to deduct or withhold any amount in respect of tax therefrom or otherwise, and whether or not actually received) by the Issuer during such Interest Period, and
- (ii) (A) the Trustee is of the opinion that such changes would be materially prejudicial to the interests of the Noteholders, or (B) the Trustee seeks and obtains the approval of the holders of the Most Senior Class of Notes to redeem the Notes, such approval to be given by way of an Extraordinary Resolution of the holders of the Most Senior Class of Notes passed in accordance with the provisions of the Trust Deed (for the avoidance of doubt, if the Trustee chooses to seek the approval of the holders of the Most Senior Class of Notes, the decision of the holders of the Most Senior Class of Notes shall prevail irrespective of whether the Trustee is nevertheless of the opinion that such changes would be or would not be materially prejudicial to the interests of the Noteholders and in no event should the Trustee be liable for any loss incurred by any person by reason of any delay in seeking, or failure to obtain, such approval),

then, provided that it has sufficient funds, the Issuer shall, having given not more than 60 nor less than 30 days' written notice to the Trustee and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*), redeem all (but not some only) of the Notes on any Interest Payment Date at their Principal Amount Outstanding plus any accrued but unpaid interest provided that, prior to giving any such notice, the Issuer shall have provided (at the Issuer's cost) to the Trustee:

- (A) a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person (other than any security interest held by the Trustee in such funds for the benefit of the Secured Creditors), required to redeem the Notes plus any accrued but unpaid interest as aforesaid and any amounts payable in priority thereto under the applicable Priority of Payments, and
- (B) if appropriate a legal opinion (in form and substance satisfactory to the Trustee) from a firm of lawyers in England (approved in writing by the Trustee) opining on the relevant change in tax law (or interpretation or administration thereof).

Any certificate and legal opinion given by or on behalf of the Issuer may be relied on by the Trustee and shall be conclusive and binding on the Noteholders and the Trustee shall have no liability for acting on such reliance.

(f) *Notice of Redemption*

Any such notice as is referred to in Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes at their Principal Amount Outstanding.

(g) *Purchase*

The Issuer shall not purchase any Notes.

(h) *Cancellation*

All Notes redeemed pursuant to Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) will be cancelled upon redemption and may not be resold or re-issued.

6. **Payments**

- (a) Payments in respect of the Notes (i) represented by a Rule 144A Global Note will be paid by transfer to a sterling account of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars or in the currency of the relevant Rule 144A Global Note, as applicable, in accordance with the provisions of the Paying Agency Agreement and (ii) represented by a Reg S Global Note will be made by sterling cheque drawn on or, at the option of the holder, by a transfer to a sterling account maintained by the payee with a sterling clearing bank as specified by the payee.
- (b) Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.
- (c) If payment of principal is improperly withheld or refused or default is otherwise made in respect of such payment, the interest which continues to accrue in respect of the relevant Note in accordance with the Trust Deed will be paid, to the persons shown in the Register at the close of business on the Record Date and, in the case of final redemption of the Notes, against surrender of the relevant Note.
- (d) The initial Principal Paying Agent, the initial Irish Paying Agent, the initial U.S. Paying Agent, the initial Exchange Agent, the initial Registrar and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Registrar or of any Paying Agent and appoint an additional or other Registrar or Paying Agent. The Issuer will at all times maintain a Principal Paying Agent, a Registrar, a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive and (so long as the Notes are listed on the Irish Stock Exchange) a Paying Agent with a specified office in Ireland (which may be the Principal Paying Agent). The Issuer will cause at least 14 days' notice of any change in or addition to the Registrar or any Paying Agent or their specified offices to be given in accordance with Condition 14 (*Notice to Noteholders*).
- (e) If any Note is presented for payment or if the due date for any payment of principal and/or interest in respect of any Note is on a Saturday, a Sunday or a day on which banks are not generally open for business in the location of the Paying Agent to whom such presentation is made or a day on which commercial banks and foreign exchange markets do not settle payments and are not open for general business in a principal financial centre of the country or region of the currency of the relevant Note, payment

will not be made until the next succeeding business day in that location and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

- (f) For purposes of this Condition 6 (*Payments*), "**Record Date**" means 15 calendar days before the due date for the relevant payment.
- (g) In the event that the aggregate funds, if any (computed in accordance with the provisions of the Cash/Bond Administration Agreement), available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, but for this Condition, due on the Junior Notes on such Interest Payment Date, are not sufficient to satisfy in full the aggregate amount of interest which is, but for this Condition, otherwise due on the Junior Notes on such Interest Payment Date, then notwithstanding any other provision of these Conditions, there shall be payable on such Interest Payment Date by way of interest on each Junior Note a *pro rata* share of such aggregate funds calculated by reference to the ratio borne by the Principal Amount Outstanding of such Junior Note (as the case may be) to the then Principal Amount Outstanding of the Class of such Junior Notes (as the case may be). This Condition 6(g) shall not apply to any Class of Junior Notes which is, as of any Interest Payment Date, the Most Senior Class of Notes.
- (h) The amount by which the aggregate amount of interest paid on the relevant Junior Notes on any Interest Payment Date in accordance with this Condition 6 (*Payments*) falls short of the aggregate amount of interest which would otherwise be payable on the relevant Junior Notes on that date (the "**Interest Shortfall**") shall accrue interest during each Interest Period during which it remains outstanding at the Rate of Interest for such Interest Period. A *pro rata* share of the Interest Shortfall (together with interest thereon) calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Junior Note (as the case may be) to the Principal Amount Outstanding of all the Junior Notes (as the case may be) shall be aggregated within the amount of, and treated for the purpose of this Condition as if it were, interest due on each M Note or, as the case may be, B Note or, as the case may be, C Note, or, as the case may be, D Note, on the next succeeding Interest Payment Date. This provision and the paragraph above shall cease to apply on the Interest Payment Date referred to in Condition 5(a) (*Final redemption*) at which time all accrued interest shall become due and payable.

7. **Prescription**

Claims against the Issuer in respect of the Notes shall become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the relevant date in respect thereof. In this Condition the relevant date is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes due on or before that date has not been duly received by the Principal Paying Agent or the 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 the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

8. **Taxation**

- (a) All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the relevant Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event the Issuer or any Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.
- (b) Without limiting the generality of Condition 8(a) above, and notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder or any other person for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.
- (c) Notwithstanding that the Trustee, the Issuer or the Paying Agents are required to make a withholding or deduction or that the Issuer is required to make a FATCA withholding, making such deduction or withholding or FATCA withholding shall not constitute an Event of Default.

9. **Events of Default**

- (a) The Trustee may, at the Trustee's discretion, or shall, if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the then outstanding Notes of the Most Senior Class of Notes, or if so directed by or pursuant to an Extraordinary Resolution of the holders of the then outstanding Notes of the Most Senior Class of Notes (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), serve a notice (an "Enforcement Notice") on the Issuer declaring, in writing, the Notes to be due and repayable (whereupon the Security shall become enforceable) at any time after the happening of any of the following events (each, an "**Event of Default**"):
 - (i) subject to Condition 6(h) (*Payments*) and Condition 6(i) (*Payments*), default being made for a period of three Business Days in the payment of the principal of or any interest on the Most Senior Class of Notes (or, where the Most Senior Class of Notes is the D Notes, in the payment of the D Reserve Fund Surplus Allocation) when and as the same ought to be paid in accordance with these Conditions; or

- (ii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Notes or any Transaction Document (excluding, for the avoidance of doubt its obligations to make payment of interest or principal on the Notes and its obligation to make payment of the D Reserve Fund Surplus Allocation) and, in any such case such failure is continuing for a period of 14 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied (except that no such notice will be required where the Trustee certifies that, in its sole opinion, such failure is incapable of remedy); or
- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through or consequent upon an official action of the board of directors of the Issuer, threatens to cease to carry on business or a substantial part of its business or being unable to pay its debts as and when they fall due or, within the meaning of Section 123(1) of the Insolvency Act 1986 (as that Section may be amended from time to time), being deemed unable to pay its debts; or
- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application or pending application for an administration order or appointment of a liquidator or administrator) and such proceedings not, in the sole opinion of the Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted, or an administrative receiver or other receiver, liquidator, administrator or other similar official being appointed in relation to the Issuer or in relation to all or any part of the undertaking, property or assets of the Issuer, or an encumbrancer taking possession of all or any part of the undertaking, property or assets of the Issuer, or a distress or diligence or execution or other process being levied or enforced upon or sued out against all or any part of the undertaking, property or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 15 days, or the Issuer initiating or consenting to 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,

provided that, in the case of each of the events described in sub-paragraphs (ii) and (iii) of this paragraph (a), the Trustee shall have certified to the Issuer that such event is, in its sole opinion, materially prejudicial to the interests of the Noteholders.

- (b) Upon any declaration being made by the Trustee in accordance with paragraph (a) above that the Notes are due and repayable, the Notes shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest and the Security shall become enforceable as provided in the Trust Deed and Deed of Charge.

10. Enforcement of Notes

The Trustee may, at any time, at its discretion and without further notice, take such proceedings against the Issuer or any other party to any of the Transaction Documents as the Trustee may think fit to enforce the provisions of the Notes or the Trust Deed or any other Transaction Document and, at any time after the Security has become enforceable, may, at its discretion and without further notice, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings or steps unless:

- (a) it shall have been requested by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the then outstanding Notes of the Most Senior Class of Notes or so directed by an Extraordinary Resolution of the holders of the outstanding Notes of the Most Senior Class of Notes; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

Nothing in this Condition shall affect a payment under the Notes from falling due for the purposes of Condition 9 (*Events of Default*).

11. Meetings of Noteholders; Modifications; Consents; Waiver

- (a) The Trust Deed contains provisions for convening meetings of any Class of Noteholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of the Noteholders of any Class of any modification of the Notes of such Class (including these Conditions as they relate to the Notes of such Class) or the provisions of any of the Transaction Documents. Any resolution to alter the definition of Permitted Activities or to request that the Issuer undertake any action that is not Permitted Activities shall be by Extraordinary Resolution. For the purposes of, *inter alia*, any Extraordinary Resolution to alter the definition of Permitted Activities any Notes held by or on behalf of the Seller or any of its Affiliates have no voting rights and are deemed not to be outstanding for the purposes of any vote on such Extraordinary Resolution.
- (b) The quorum at any meeting of the Noteholders of any Class of Notes for passing an Extraordinary Resolution shall be one or more persons holding or representing over 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class then outstanding, or, at any adjourned meeting, one or more persons holding or representing Notes of such Class whatever the aggregate Principal Amount Outstanding of the Notes of such Class held or represented by him or them except that, at any meeting the business of which includes the sanctioning of a Basic Terms Modification, the necessary quorum for passing an Extraordinary Resolution shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., of the aggregate Principal Amount Outstanding of the Notes of such Class then outstanding. The quorum at any meeting of the Noteholders of any Class of Notes for all business other than voting on an Extraordinary Resolution shall be one or more persons holding or representing in the aggregate not less than 5 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned meeting, one or more persons being or representing the Noteholders of such Class, whatever the aggregate Principal Amount Outstanding of the Notes of such Class then outstanding so held.

- (c) Except in certain circumstances described in the Trust Deed, an Extraordinary Resolution of the M Noteholders shall be effective (and will bind the A Noteholders, the B Noteholders, the C Noteholders and the D Noteholders) when the Trustee is of the sole opinion that it will not be materially prejudicial to the interests of the A Noteholders, or it is sanctioned by an Extraordinary Resolution of the A Noteholders. Except in certain circumstances described in the Trust Deed, an Extraordinary Resolution of the B Noteholders shall be effective (and will bind the A Noteholders, the M Noteholders, the C Noteholders and the D Noteholders) when the Trustee is of the sole opinion that it will not be materially prejudicial to the respective interests of the A Noteholders and the M Noteholders, or it is sanctioned by an Extraordinary Resolution of the A Noteholders and the M Noteholders. Except in certain circumstances described in the Trust Deed, an Extraordinary Resolution of the C Noteholders shall be effective (and will bind the A Noteholders, the M Noteholders, the B Noteholders and the D Noteholders) when the Trustee is of the sole opinion that it will not be materially prejudicial to the respective interests of the A Noteholders, the M Noteholders and the B Noteholders or it is sanctioned by an Extraordinary Resolution of the A Noteholders, the M Noteholders and the B Noteholders. Except in certain circumstances described in the Trust Deed, an Extraordinary Resolution of the D Noteholders shall be effective (and will bind the A Noteholders, the M Noteholders, the B Noteholders and the C Noteholders) when the Trustee is of the sole opinion that it will not be materially prejudicial to the respective interests of the A Noteholders, the M Noteholders, the B Noteholders and the C Noteholders, or it is sanctioned by an Extraordinary Resolution of the A Noteholders, the M Noteholders, the B Noteholders and the C Noteholders. Except in certain circumstances, the Trust Deed imposes no such limitations on the powers of the A Noteholders the exercise of which will be binding on the M Noteholders, the B Noteholders, the C Noteholders and the D Noteholders irrespective of the effect on their interests.
- (d) An Extraordinary Resolution passed at any meeting of the Noteholders of any Class of Notes shall be binding on all Noteholders of such Class, whether or not they are present at the meeting.
- (e) The Trustee may agree without the consent of the Noteholders of any Class or any other Secured Creditor:
- (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, the Notes of any Class (including these Conditions) or any of the Transaction Documents provided that the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Noteholders of any Class and would not constitute a change in any Permitted Activities that the Issuer may undertake, or
 - (ii) to any modification of the Notes of any Class (including these Conditions) or any of the Transaction Documents, which in the Trustee's sole opinion is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the sole opinion of the Trustee, proven.

The Trustee may also without the consent of the Noteholders of any Class or any other Secured Creditor determine, acting in its absolute discretion, but only if and in so far in its sole opinion the interests of the Noteholders of each Class shall not be materially prejudiced thereby, that any Event of Default or any condition, event or act which, with the giving of

notice and/or lapse of time and/or the issue of a certificate and/or the making of any determination, would constitute an Event of Default shall not, or shall not subject to specified conditions, be treated as such (but the Trustee may not make any such determination of any Event of Default or any such waiver or authorisation of any such breach or proposed breach of the Notes (including the Conditions) or any of the Transaction Documents in contravention of an express direction of the Noteholders given by Extraordinary Resolution or a request under Condition 9 (*Events of Default*)). Any such modification, waiver, authorisation or determination shall be binding on the Noteholders of each Class and any other Secured Creditor and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) as soon as practicable thereafter.

12. Indemnification and Exoneration of the Trustee

The Trust Deed contains provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction and, for the avoidance of doubt, whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction. The Trustee and its related companies are entitled to enter into business transactions with, among others, the Issuer, the Mortgage Administrator, the Cash/Bond Administrator and/or related companies of any of them without accounting for any profit resulting therefrom. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Mortgage Administrator, the Cash/Bond Administrator or any agent or related company of the Mortgage Administrator, the Cash/Bond Administrator or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

The Trust Deed provides that the Trustee shall be under no obligation to monitor or supervise compliance by the Issuer, the Mortgage Administrator or the Cash/Bond Administrator with their respective obligations or to make any searches, enquiries, or independent investigations of title in relation to any of the Properties secured by the Mortgages.

The Trustee will not be responsible for (a) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties, or (b) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents. The Trustee will not be liable to any Noteholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

13. Replacement of Definitive Notes

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent (located outside the United States and its possessions).

Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before new ones will be issued.

14. **Notice to Noteholders**

Any notice to the Noteholders shall be validly given by any of:

- (a) the information contained in such notice appearing on a page of the Reuters Screen, or any other medium for electronic display of data as may be previously approved in writing by the Trustee (in each case a "**Relevant Screen**");
- (b) by publication in a leading newspaper published in Ireland (which is expected to be The Irish Times) or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper or newspapers as the Trustee shall approve having a general circulation in Dublin;
- (c) whilst the Notes are in global form, if delivered to Euroclear and/or Clearstream, Luxembourg (as applicable) for communicating them to the Noteholders; or
- (d) whilst the Notes are in definitive form, if mailed to the Noteholders at their respective addresses in the Register.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed or any other relevant authority.

Any notice under paragraph (a) or (b) shall be deemed to have been given to the Noteholders on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or in all newspapers in which (or on the Relevant Screen on which) publication is required. Any notice under paragraph (c) shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. Any notice under paragraph (d) shall be deemed to have been given on the third day after being mailed to the address of the relevant Noteholders at its address stated in the Register.

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

15. **Third Party Rights**

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Notes.

16. **Governing Law and Jurisdiction**

- (a) The Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law.

- (b) The Issuer has agreed in the Trust Deed that the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, the "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) In the Trust Deed, the Issuer has waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agreed not to claim that any such court is not a convenient or appropriate forum.

17. **U.S. Tax Treatment and Provision of Information**

- (a) It is the intention of the Issuer and each Noteholder and beneficial owner ("**Owner**") of an interest in the Notes that the A Notes, the M Notes, the B Notes, the C Notes and the D Notes will be indebtedness of the Issuer, for all United States federal, state and local income and franchise tax purposes and for the purposes of any other United States federal, state and local tax imposed on or measured by income (the "**Intended U.S. Tax Treatment**"). To the extent applicable and absent a final determination to the contrary, the Issuer and each Noteholder and Owner, by acceptance of such Note, or a beneficial interest therein, agree to treat the Notes, for purposes of United States federal, state and local income or franchise taxes and any other United States federal, state and local taxes imposed on or measured by income, consistent with the Intended U.S. Tax Treatment and to report such Notes on all applicable tax returns in a manner consistent with such treatment.
- (b) For so long as any Notes remain outstanding and are "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Section 13 or Section 15(e) of the Exchange Act nor exempt from reporting pursuant to rule 12g3-2(b) thereunder, furnish, at its expense, to any holder of, or Owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such holder or Owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

18. **Non Petition and Limited Recourse**

- (a) Each of the Noteholders, by purchasing or subscribing for the Notes, agrees with the Issuer that notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders, including, without limitation, its obligations under the Notes and the Transaction Documents, are limited in recourse as set out below:
 - (i) each Noteholder agrees that it will have a claim only in respect of, and will be limited to, the property, assets and rights of the Issuer which are subject to the Security and the amounts received, realised or otherwise recovered therefrom and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
 - (ii) sums payable to each Noteholder on any date in respect of the Issuer's obligations to such Noteholder on such date shall be limited to the lesser of (a)

the aggregate amount of all sums due and payable to such Noteholder on such date and (b) the aggregate amount of funds received, realised or otherwise recovered by or for the account of the Issuer and/or Trustee and the other Secured Creditors in respect of the Security whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Issuer on such date in accordance with the Priority of Payments and/or the Redemption Priority, as applicable and the terms of the Deed of Charge and/or the Supplemental (2014A) Deed of Charge in priority to or *pari passu* with sums payable to each Noteholder; and

- (iii) on the Final Maturity Date or following final distribution of net proceeds of enforcement of the Security if the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's outstanding payment obligations to that Noteholder under the Transaction Documents and that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from the enforcement of the Security or otherwise), then that Noteholder shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

Nothing in this Condition 18 shall affect, limit or prevent an amount (or any part thereof) from falling due and/or payable on any Class of Notes for the purposes of Condition 9 (*Events of Default*).

- (b) Subject to Condition 10 (*Enforcement of Notes*), none of the Noteholders or the parties to the Transaction Documents shall be entitled to petition or commence any Insolvency Proceedings in respect of the Issuer for so long as the Notes are outstanding, provided that the Trustee may prove or lodge a claim in any Insolvency Proceedings in respect of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Trust Deed.
- (c) None of the parties to the Transaction Documents shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Trust Deed or any other Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

Schedule 3

Restated Residual Certificate Conditions

TERMS AND CONDITIONS OF THE RESIDUAL CERTIFICATES

If Residual Certificates in definitive form were to be issued, the terms and conditions (subject to amendment and completion) set out on each Residual Certificate would be as set out below. While the Residual Certificates remain in global form, the same terms and conditions govern such Residual Certificates, except to the extent that they are appropriate only to Residual Certificates in definitive form. These terms and conditions are subject to the detailed provisions of the Trust Deed and the Deed of Charge.

The residual certificates (the "**Residual Certificates**") were issued by Eurosail Prime-UK 2007-A plc (the "**Issuer**") on 14 November 2007 (the "**Closing Date**").

The Residual Certificates are constituted by a trust deed dated the Closing Date between the Issuer and BNY Mellon Corporate Trustee Services Limited (then known as BNY Corporate Trustee Services Limited) as trustee (the "**Trustee**" which expression includes all persons for the time being trustee or trustees appointed pursuant to the Trust Deed) for the holders for the time being of the Residual Certificates (as amended and restated at the Effective Time pursuant to the Amendment and Restructuring (2014A) Agreement and as further amended, restated and/or supplemented from time to time, the "**Trust Deed**") and are subject to a master securitisation agreement dated the Closing Date and the paying agency agreement set out in schedule 8 thereof (as amended and restated at the Effective Time pursuant to the Amendment and Restructuring (2014A) Agreement, the "**Paying Agency Agreement**", which expression includes any further modification thereto) between, among others, the Issuer, The Bank of New York Mellon (then known as The Bank of New York) acting through its London Branch as agent bank (in such capacity, the "**Agent Bank**" which expression includes any successor agent bank appointed from time to time in connection with the Residual Certificates), as principal paying agent (in such capacity, the "**Principal Paying Agent**" which expression includes any successor principal paying agent appointed from time to time in connection with the Residual Certificates) and as currency exchange agent for the Notes (in such capacity, the "**Exchange Agent**", which expression includes any successor currency exchange agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Dublin Branch (as successor to The Bank of New York Mellon (Ireland) Limited (then known as BNY Financial Services plc)) as Irish paying agent (in such capacity, the "**Irish Paying Agent**" which expression includes any successor Irish paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon (then known as The Bank of New York), acting through its New York Branch as U.S. paying agent (in such capacity, the "**U.S. Paying Agent**" which expression includes any successor U.S. paying agent appointed from time to time in connection with the Notes and, together with each other paying agent and successor paying agent appointed from time to time in connection with the Notes, the "**Paying Agents**"), The Bank of New York Mellon (Luxembourg) S.A. (then known as The Bank of New York (Luxembourg) S.A.) as registrar (in such capacity, the "**Registrar**" which expression includes any successor registrar appointed from time to time in connection with the Residual Certificates) and as transfer agent (together with any successor or additional transfer agent appointed from time to time in connection with the Residual Certificates, the "**Transfer Agents**") and the Trustee. The security for the Residual Certificates is created pursuant to, and on the terms set out in, a deed of charge dated the Closing Date between, among others, the Issuer and the Trustee (as supplemented, amended and/or restated by a supplemental deed of charge dated on or about 4 February 2014 between, among others, the Issuer and the Trustee (the "**Supplemental**

(2014A) Deed of Charge") and as further amended, restated and/or supplemented from time to time, the "Deed of Charge").

Copies of the Transaction Documents are available for inspection by the Instrumentholders upon reasonable notice during normal business hours at the principal office for the time being of the Trustee, being at the Closing Date at One Canada Square, London E14 5AL and at the specified offices for the time being of the Paying Agents.

The statements in these conditions relating to the Residual Certificates (the "**Residual Certificate Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Paying Agency Agreement and the other Transaction Documents. The Residual Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Deed of Charge and each other Transaction Document.

Capitalised words and expressions which are used in these Residual Certificate Conditions, shall, unless otherwise defined below, have the same meanings as those given in the Master Definitions Schedule set out in schedule 1 (*Master Definitions Schedule*) to the Master Securitisation Agreement dated the Closing Date between, among others, the Issuer, the Mortgage Administrator, the Trustee, the Principal Paying Agent, the Irish Paying Agent and the Seller (as the same may be supplemented, amended and/or restated from time to time) and the following capitalised words and expressions shall have the following meanings:

"**2014B Written Resolutions**" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement

"**Actual Redemption Funds**" means, at any Determination Date, an amount calculated as the aggregate of:

- (a) the amount standing to the credit of the Principal Ledger; and
- (b) the amount (if any) calculated on that Determination Date to be the amount by which the Principal Deficiency is expected to be reduced by the application of the Available Revenue Fund on the immediately succeeding Interest Payment Date.

"**Affiliate**" means, in relation to any person, any other person who, directly or indirectly is in control of, or controlled by, or is under common control with, such person (and for the purposes of this definition, "**control**" of a person means the power, direct or indirect (a) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person or (b) to direct or cause the direction of the management and policies of such person, whether by contract or otherwise).

"**Agreed Spreadsheet**" means the excel spreadsheet prepared for the purposes of calculating the Restructuring Calculations approved by an Extraordinary Resolution of each Class of Instrumentholders pursuant to the 2014B Written Resolutions in the form attached at Schedule 1 (*Agreed Spreadsheet*) to the Amendment and Restructuring (2014A) Agreement and as provided by the Auction/FX Agent to the Issuer and the Cash/Bond Administrator in fully populated form on or about the date of the Amendment and Restructuring (2014A) Agreement.

"Amendment and Restructuring (2014A) Agreement" means the amendment and restructuring agreement dated or about 4 February 2014 and made between, among others, the Issuer, the Trustee, the Cash/Bond Administrator, the Account Bank, the Collection Account Bank, the GIC Provider, the Irish Paying Agent, the Registrar, the Transfer Agent, the Mortgage Administrator and the Seller.

"Appointee" means any attorney, manager, agent, delegate, nominee, custodian, receiver, administrative receiver or other person appointed by the Trustee under the Trust Deed or the Deed of Charge.

"Apportionment Factor" means in relation to any Interest Payment Date, 0.25.

"Auction/FX Agent" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement.

"Available Revenue Ledger" means the Ledger of such name created by the Cash/Bond Administrator pursuant to the terms of the Cash/Bond Administration Agreement.

"Basic Terms Modification" has the meaning given to such term in paragraph 5 of Schedule 4 (*Provisions for Meetings of Instrumentholders*) to the Trust Deed.

"Business Day" means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London, Dublin and New York.

"D Reserve Fund Surplus Allocation" has the meaning given to that term in Condition 4(i) of the Notes.

"Delinquencies" means, in relation to a Loan, the amount of payments of interest or interest and scheduled principal due and payable by the related Borrower, which is overdue after cash payments received from that Borrower have been allocated first to missed monthly contractual payments and second to fees, costs and any other amounts.

"Determination Date" means the third Business Day of the calendar month in which an Interest Payment Date occurs.

"Extraordinary Resolution" means (a) a resolution passed at a meeting of the Residual Certificateholders duly convened and held in accordance with the Trust Deed by a majority at such meeting consisting of not less than 75 per cent. 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 75 per cent. of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of all the Residual Certificateholders provided that a resolution to amend the definition of Permitted Activities or to request that the Issuer undertake any action that is not Permitted Activities shall be required to be passed by holders of not less than 50 per cent. of each of (x) the aggregate Principal Amount Outstanding of the Notes and (y) the Total Number Outstanding of the Residual Certificates.

"FATCA withholding" has the meaning given to such term in Residual Certificate Condition 8(b) (*Taxation*).

"First Interest Payment Date" means the Interest Payment Date immediately following the Closing Date.

"First Interest Period" means the Interest Period commencing on the Closing Date.

"Independent Director" means a duly appointed member of the board of directors of the relevant entity who should not have been, at the time of such appointment, or at any time in the preceding five years a direct or indirect legal or beneficial owner in such entity or any of its affiliates (excluding de minimus ownership interests).

"Initial Reserve Amount" means an amount in sterling to be confirmed by the Cash/Bond Administrator in accordance with and pursuant to cell C69 of the Agreed Spreadsheet.

"Insolvency Proceedings" means any corporate action or other steps or legal proceedings for the winding up, dissolution, moratorium, controlled management, similar insolvency proceedings or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer.

"Interest Period" means the period from (and including) an Interest Payment Date (or, in the case of the First Interest Period, the Closing Date) to (but excluding) the next (or, in the case of the First Interest Period, first) Interest Payment Date.

"June Restructuring Transaction Costs" has the meaning given to such term in clause 7.1(d) (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement.

"March Restructuring Transaction Costs" has the meaning given to such term in clause 7.1(a) (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement.

"Permitted Activities" means the activities contemplated in the Transaction Documents as being undertaken by the Issuer, including (i) the acquisition of the Loans, the Collateral Security and their Related Rights; (ii) the appointment of entities to undertake the administration and servicing of the Loans, the Collateral Security and their Related Rights and the collection and administration of monies relating thereto in accordance with the terms of the Transaction Documents; (iii) the issue of the Instruments, the granting and maintaining of security therefor, the listing and rating thereof and the making of any Basic Terms Modifications thereto; (iv) the entering into of borrowings; (v) the investment of collections from the Loans together with any proceeds retained by the Issuer from the issue of the Instruments and any borrowings; and (vi) the payment of liabilities, maintenance of hedging and administrative functions required to be undertaken in respect of the Instruments.

"Pre-Enforcement Priority of Payments" means the order of priority set out in Residual Certificate Condition 2(d) (*Priority of Payments prior to enforcement*).

"Principal Amount Outstanding" means, in respect of (i) a Note on any date shall be the initial principal amount of such Note less (x) the aggregate amount of all Note Principal Payments in respect of such Note that have become due and payable since the Closing Date and on or prior to such date have been paid and (y) any other payments and/or reduction of principal (by the reduction of the Pool Factor or otherwise) or cancellation of principal in respect of such Note (including in accordance with the terms of the Amendment and Restructuring (2014A) Agreement) and (ii) a Class of Notes shall be the aggregate Principal Amount Outstanding of the Notes of that Class as determined in accordance with (i) above.

Effective as of 17:00 (London time) on the Interest Payment Date falling in December 2013, any reference to the Principal Amount Outstanding of the A Notes on the Closing Date shall be construed to mean £270,000,000; any reference to the Principal Amount Outstanding of the M Notes on the Closing Date shall be construed to mean £16,510,000; any reference to the Principal Amount Outstanding of the B Notes on the Closing Date shall be construed to mean £16,190,000; any reference to the Principal Amount Outstanding of the C Notes on the Closing Date shall be construed to mean £10,683,000; any reference to the Principal Amount Outstanding of the D Notes on the Closing Date shall be construed to mean £10,360,000.

"Principal Deficiency" means the amounts recorded as a debit on each Principal Deficiency Ledger established by or on behalf of the Issuer pursuant to the Cash/Bond Administration Agreement.

"Related Rights" means all ancillary rights, accretions and supplements to the Loans and Collateral Security.

"Reserve Fund Required Amount" means:

- (a) in respect of the Interest Payment Date falling in March 2014, the Initial Reserve Amount; and
- (b) in respect of the Interest Payment Date falling in June 2014 and each subsequent Interest Payment Date:
 - (i) if the Trigger Condition is satisfied on the Determination Date immediately preceding such Interest Payment Date, the lesser of:
 - (A) 1.50 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the immediately preceding Interest Payment Date after the application of the Available Revenue Fund and the Actual Redemption Funds on such Interest Payment Date; and
 - (B) the Initial Reserve Amount; and
 - (ii) if the Trigger Condition is not satisfied on the Determination Date immediately preceding such Interest Payment Date, the Reserve Fund Required Amount in respect of the immediately preceding Interest Payment Date.

"Residual Revenue" means, as of any Interest Payment Date, an amount calculated as being the aggregate of (a) the amount of the Available Revenue Fund available to make the payments at item (xviii) of the Pre-Enforcement Priority of Payments (or the amount of funds available to the Trustee to make the payments at item (x) of the Post-Enforcement Priority of Payments as applicable) and (b) the total amount standing to the credit of the Prepayment Charges Ledger as at the immediately preceding Determination Date.

"Restructuring Calculations" has the meaning given to such term in the Amendment and Restructuring (2014A) Agreement.

"Total Number Outstanding" means 10,000.

"Transaction Documents" means the Trust Deed, the Deed of Charge, the Paying Agency Agreement, the Mortgage Administration Agreement, the Closing Arrangements Deed, the Cash/Bond Administration Agreement, the Mortgage Sale Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Guaranteed Investment Contract, the Master Definitions Schedule, the Master Securitisation Agreement, the Scottish Declaration of Trust, any Supplemental Scottish Declaration of Trust, any Supplemental Deed of Charge, the Subscription Agreement, the Amendment and Restructuring (2014A) Agreement, the Bank Agreement and the Supplemental (2014A) Deed of Charge, and each a **"Transaction Document"**.

"Trigger Condition" is satisfied on a Determination Date if:

- (a) the Reserve Fund was at the Reserve Fund Required Amount on the immediately preceding Interest Payment Date;
- (b) the Available Revenue Fund (including, for the avoidance of doubt, the amount of the Reserve Fund (if any) transferred on such Determination Date to the Available Revenue Ledger from the Reserve Fund Ledger) is sufficient to satisfy items (i) to (xv) (both inclusive) of the Pre-Enforcement Priority of Payments **provided that**, for the purpose only of the determination as to whether the Trigger Condition is or is not satisfied, the Reserve Fund Required Amount for item (xv) of the Pre-Enforcement Priority of Payments shall be deemed to be equal to the Reserve Fund Required Amount as at the immediately preceding Interest Payment Date; and
- (c) as at such Determination Date, the aggregate Principal Balance of all Loans in the Mortgage Pool that have Delinquencies which are 90 days or more overdue (including Repossession Loans) as a percentage of the aggregate Principal Balance of all Loans in the Mortgage Pool does not exceed 15 per cent. (or such greater percentage agreed between the Issuer (with the consent of the Noteholders of each Class of Notes, acting by Extraordinary Resolution) and the Rating Agencies from time to time upon the basis that such greater percentage will not adversely affect the then current ratings of the Notes).

1. **Form, Denomination and Title**

- (a) The Residual Certificates are represented initially by a global certificate in registered form (the **"Global Residual Certificate"**). References herein to the **"Residual Certificates"** shall include (i) in relation to any Residual Certificates represented by the Global Residual Certificate, units thereof corresponding to the Residual Certificates, (ii) Definitive Residual Certificates issued in exchange for the Global Residual Certificate and (iii) the Global Residual Certificate.
- (b) If (i) the circumstances referred to in Residual Certificate Condition 9(a) (*Events of Default*) occurs or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or has in fact done so and no successor clearing system acceptable to the Trustee is available or (iii) as a result of any amendment to, or change in, (A) the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or (B) the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer is or

the Paying Agents are or will be required to make any deduction or withholding from any payment in respect of the Residual Certificates which would not be required were the Residual Certificates in definitive form, then the Issuer will, within 30 days of the occurrence of the relevant event, issue serially numbered Residual Certificates in definitive registered form in exchange for the whole outstanding interest in the Global Residual Certificate.

- (c) With respect to the Definitive Residual Certificates, title shall pass by and upon registration in the register which the Issuer shall procure to be kept by the Registrar (the "**Register**"). Any holder of a Global Residual Certificate (a "**Global Residual Certificateholder**") or holder of a Definitive Residual Certificate (a "**Definitive Residual Certificateholder**") shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Residual Certificate or Definitive Residual Certificate as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon other than a duly executed transfer of such Residual Certificate in the form endorsed thereon.
- (d) Transfers and exchanges of beneficial interests in the Global Residual Certificate will be made subject to any restrictions on transfers set forth on such Residual Certificate. In no event will a transfer of a beneficial interest in the Global Residual Certificate or a Definitive Residual Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Trustee.
- (e) A Definitive Residual Certificate may be transferred upon the surrender of the relevant Definitive Residual Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Each new Definitive Residual Certificate to be issued upon a transfer will, within five business days (in the place of the specified office of the Registrar) of receipt of such request for transfer, be available for delivery at the specified office of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder of the Definitive Residual Certificate to such address as may be specified in such request.
- (f) Registration of Definitive Residual Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it. No holder of a Definitive Residual Certificate may require the transfer of such Residual Certificate to be registered during the period of 15 days ending on the due date for any payment of sums due on such Residual Certificate.

2. **Status, Security and Administration**

Status

- (a) The Residual Certificates constitute direct, secured (as more particularly described in the Deed of Charge) and unconditional obligations of the Issuer and rank *pari passu* without preference or priority amongst themselves.
- (b) The Residual Certificates have no voting rights under the Trust Deed or these Residual Certificate Conditions save in respect of themselves. The Trust Deed contains provisions to the effect that, so long as any of the Notes are outstanding and subject to Condition 2(c) of the Notes, the Trustee shall not be required, when exercising its powers, authorities and discretions, to have regard to the interests of, or act at the direction of, any persons having the benefit of the Security, other than the Noteholders and the Residual Certificateholders in accordance with the Trust Deed, and, in relation to the exercise of such powers, authorities and discretions, the Trustee shall have no liability to such persons as a consequence of so acting.

Security

- (c) As security for the payment of all monies payable in respect of the Notes, the Residual Certificates and otherwise under the Trust Deed (including the remuneration, expenses and any other claims of the Trustee and any receiver appointed under the Deed of Charge) and in respect of certain amounts payable to the Mortgage Administrator under the Mortgage Administration Agreement, the Cash/Bond Administrator under the Cash/Bond Administration Agreement, the Standby Mortgage Administrator under the Mortgage Administration Agreement, the Standby Cash/Bond Administrator under the Cash/Bond Administration Agreement, the Principal Paying Agent, the Irish Paying Agent, the U.S. Paying Agent, any other Paying Agent, the Registrar, the Transfer Agents, the Exchange Agent and the Agent Bank under the Paying Agency Agreement, the Account Bank and the Collection Account Bank under the Bank Agreement, the GIC Provider under the Guaranteed Investment Contract, the Corporate Services Provider under the Corporate Services Agreement and the Seller in respect of its entitlement to unpaid consideration under the Mortgage Sale Agreement, the Issuer has entered into the Deed of Charge and the Supplemental (2014A) Deed of Charge, creating the following security in favour of the Trustee for itself and on trust for the other persons expressed to be secured parties thereunder (save that the Trustee shall hold the benefit of the security interest with respect to the Prepayment Charges Receipts solely for the benefit of the Residual Certificateholders) (such parties, the "**Secured Creditors**"):
 - (i) a first fixed charge in favour of the Trustee over the Issuer's interests in each Loan, each related Mortgage and all other collateral security given or obtained in connection with such Loan in the Mortgage Pool (such collateral security, together with the Mortgages, the "Collateral Security" and including, without limitation, (1) the benefit of all affidavits, declarations, consents, renunciations, waivers and deeds of postponement from occupiers and other persons having an interest in or rights in connection with the relevant Property, (2) the benefit of (including notations of interest on) insurance and assurance policies (including, without limitation, all returns of premium and proceeds in respect of such policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property, and (3) (to the extent assignable without the consent of the relevant counterparty) all courses and rights of action (whether assigned to the Issuer or otherwise) against valuers, solicitors, the Land Registry of England and Wales and the Registers

of Scotland or any other person in connection with any report (including a report on title), valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with the relevant Loan, Mortgage, other collateral security or Property) and, in relation to Loans which are Scottish Loans, such fixed charge is in the form of an assignment in security, governed by Scots law, of the Issuer's interests in each such Scottish Loan, its related Scottish Mortgage and other Collateral Security as comprised in the Scottish Trust;

- (ii) an assignment in favour of the Trustee of the Issuer's interests in the insurance contracts to the extent that they relate to the Loans and their related Collateral Security;
- (iii) an assignment in favour of the Trustee of the benefit of the Issuer in each of the Transaction Documents (other than the Trust Deed and the Deed of Charge);
- (iv) a first fixed charge in favour of the Trustee over the Issuer's interest in the Bank Accounts and any other bank accounts or Authorised Investments in which the Issuer has an interest; and
- (v) a first floating charge in favour of the Trustee (ranking after the security referred to in paragraphs (i) to (iv) above) over the whole of the undertaking, property, assets and rights of the Issuer,

(such property, assets, rights, accounts, undertaking, together, the "**Charged Property**").

Priority of Payments prior to enforcement

- (d) The "**Available Revenue Fund**" at any time comprises the credit balance of the Available Revenue Ledger at that time. Prior to the Security becoming enforceable, on each Interest Payment Date the Issuer shall be required to apply the Available Revenue Fund calculated as at the immediately preceding Determination Date (and taking into account any payments to be made or received from that date up to and including the immediately following Interest Payment Date) in or towards the satisfaction of the following items in the following order of priority (the "**Pre-Enforcement Priority of Payments**"):
 - (i) first, when due, the remuneration payable to the Trustee or any Appointee (plus value added tax, if any) and any costs, charges, liabilities and expenses incurred by the Trustee or any Appointee under the provisions of or in connection with the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge or any other Transaction Document together with any applicable interest as provided in the Trust Deed or the Deed of Charge or the Supplemental (2014A) Deed of Charge;
 - (ii) second, *pro rata*:
 - (A) amounts, when due, including audit fees, company secretarial expenses and costs and expenses incurred in connection with the appointment of

any substitute administrator (plus value added tax, if any), which are payable by the Issuer to third parties and incurred without breach by the Issuer pursuant to the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge or the Cash/Bond Administration Agreement and not provided for payment elsewhere and to provide for any such amounts expected to become due and payable by the Issuer during the Interest Period commencing on that Interest Payment Date and to provide for the Issuer's primary liability or possible primary liability for corporation tax;

- (B) an amount, when due, equal to any premia due in respect of insurance contracts held by the Issuer; and
 - (C) an amount equal to £950 by crediting the Profit Ledger;
- (iii) third, *pro rata*:
- (A) except to the extent already paid to the Mortgage Administrator since the preceding Interest Payment Date or, in the case of the First Interest Payment Date, since the Closing Date (1) the mortgage administration fee due and payable under the Mortgage Administration Agreement, such fee being up to a maximum of the product of 0.25 per cent. per annum and the aggregate Principal Balance of the Loans as at the Determination Date immediately preceding the immediately prior Interest Payment Date, multiplied by the Apportionment Factor and (2) any costs and expenses incurred by the Mortgage Administrator in accordance with the Mortgage Administration Agreement;
 - (B) except to the extent already paid to the Cash/Bond Administrator since the preceding Interest Payment Date or, in the case of the First Interest Payment Date, since the Closing Date (1) the Cash/Bond Administration Fee due and payable under the Cash/Bond Administration Agreement to the Cash/Bond Administrator and (2) any costs and expenses incurred by the Cash/Bond Administrator due and payable in accordance with the Cash/Bond Administration Agreement;
 - (C) prior to the assumption by the Standby Mortgage Administrator of the duties and obligations of the Mortgage Administrator, (1) the Standby Mortgage Administrator Fixed Fee in an amount of no more than £6,000 per annum (plus value added tax chargeable on the fee up to a rate of 17.5 per cent.), due and payable pursuant to the Mortgage Administration Agreement to the Standby Mortgage Administrator divided by four and (2) costs and expenses incurred by the Standby Mortgage Administrator in accordance with the Mortgage Administration Agreement;
 - (D) prior to the assumption by the Standby Cash/Bond Administrator of the duties and obligations of the Cash/Bond Administrator, (1) the Standby Cash/Bond Administrator Fixed Fee in an amount of no more than £3,000 per annum (plus value added tax chargeable on the fee up to a rate of 17.5 per cent.), due and payable pursuant to the Cash/Bond

Administration Agreement to the Standby Cash/Bond Administrator divided by four and (2) costs and expenses incurred by the Standby Cash/Bond Administrator in accordance with the Cash/Bond Administration Agreement;

- (E) (1) the corporate services fee (inclusive of value added tax if any) due and payable pursuant to the Corporate Services Agreement to the Corporate Services Provider divided by four and (2) costs and expenses incurred by the Corporate Services Provider in accordance with the Corporate Services Agreement;
 - (F) amounts due to the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent and the Agent Bank under the Paying Agency Agreement;
 - (G) amounts due to the GIC Provider under the Guaranteed Investment Contract; and
 - (H) amounts due to the Account Bank and the Collection Account Bank under the Bank Agreement;
- (iv) fourth, to pay *pro rata* any March Restructuring Transaction Costs and to pay *pro rata* any June Restructuring Transaction Costs (as applicable) in each case to the extent not paid from amounts credited to the Restructuring Costs Ledger in accordance with clause 7.1 (*Payment of Restructuring Transaction Costs*) of the Amendment and Restructuring (2014A) Agreement or pursuant to paragraphs (i) to (iii) above;
 - (v) fifth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the A Notes;
 - (vi) sixth, to apply amounts to reduce the A Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the A Principal Deficiency Ledger) such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*) of the Notes;
 - (vii) seventh, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the M Notes;
 - (viii) eighth, to apply amounts to reduce the M Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the M Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*) of the Notes;
 - (ix) ninth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the B Notes;
 - (x) tenth, to apply amounts to reduce the B Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the B Principal Deficiency Ledger), such amounts to be applied in redemption of the

Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*) of the Notes;

- (xi) eleventh, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the C Notes;
- (xii) twelfth, to apply amounts to reduce the C Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the C Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*) of the Notes;
- (xiii) thirteenth, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the D Notes (other than any D Reserve Fund Surplus Allocation);
- (xiv) fourteenth, to apply amounts to reduce the D Principal Deficiency to zero (by crediting the Principal Ledger and making a corresponding credit to the D Principal Deficiency Ledger), such amounts to be applied in redemption of the Notes in accordance with Condition 5(b) (*Mandatory redemption in part of the Notes*) of the Notes;
- (xv) fifteenth, except upon the Interest Payment Date on which the Notes are redeemed in full, (by crediting the Reserve Ledger) to increase the balance of the Reserve Fund until it reaches the Reserve Fund Required Amount;
- (xvi) sixteenth, to pay *pari passu* and *pro rata* the amount of D Reserve Fund Surplus Allocation due and payable on the D Notes;
- (xvii) seventeenth, *pari passu* and *pro rata*:
 - (A) to the Standby Mortgage Administrator of an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee due and payable under paragraph (iii) (C) above to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and
 - (B) to the Standby Cash/Bond Administrator of an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee due and payable under paragraph (iii)(D) above to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and
- (xviii) eighteenth, in or towards payment *pari passu* and *pro rata*, of RC Distributions to the Residual Certificateholders.

In the event that any payment is to be made from the Available Revenue Fund by the Issuer and the relevant amount of the Available Revenue Fund is not denominated in the relevant currency in which such payment is to be made, the Issuer shall convert the relevant amounts comprised in the Available Revenue Fund to make such payment into such currency at the then prevailing spot rate of exchange as may be required in order to be applied in or towards such payment.

In addition to payments pursuant to item (xviii) of the Pre-Enforcement Priority of Payments above, the Residual Certificateholders will, on each Interest Payment Date, be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger as at the close of business on the Determination Date immediately preceding such Interest Payment Date.

Priority of Payments Post-Enforcement

- (e) After the Trustee has given notice to the Issuer pursuant to Condition 9(a) (*Events of Default*) of the Notes declaring the Notes to be due and repayable, the Trustee shall, to the extent of the funds available to the Issuer and from the proceeds of enforcement of the Security (other than amounts standing to the credit of the Prepayment Charges Ledger) make payments in or towards satisfaction of the following items in the following order of priority (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Priority of Payments, the "**Priority of Payments**") pursuant to, in accordance with and as set out more fully in the Deed of Charge:
- (i) first, to pay, *pro rata*, any remuneration then due to the Trustee, any receiver or administrator appointed by the Trustee or any other Appointee of the Trustee and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by the Trustee, such receiver or administrator or such Appointee together with interest thereon (plus value added tax, if any);
 - (ii) second, to pay, *pro rata*, the fees, costs, expenses and liabilities due to the Mortgage Administrator, the Cash/Bond Administrator, the Standby Mortgage Administrator, the Standby Cash/Bond Administrator (the fees of such Standby Mortgage Administrator and Standby Cash/Bond Administrator to be paid together with value added tax up to a rate of 17.5 per cent. only), the Corporate Services Provider, the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent, the Agent Bank, the Account Bank, the Collection Account Bank and the GIC Provider, together with value added tax (if any) chargeable thereon;
 - (iii) third, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the A Notes;
 - (iv) fourth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the M Notes;
 - (v) fifth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the B Notes;
 - (vi) sixth, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the C Notes;
 - (vii) seventh, to pay *pari passu* and *pro rata* all amounts of interest and principal then due and payable on the D Notes;
 - (viii) eighth, to pay, *pro rata*:

- (A) to the Standby Mortgage Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Mortgage Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.; and
- (B) to the Standby Cash/Bond Administrator an amount, if any, equal to that portion of value added tax owing in respect of the Standby Cash/Bond Administrator's fee to the extent that the rate of value added tax in respect of that fee exceeds 17.5 per cent.;
- (ix) ninth, to pay an amount equal to £950 by crediting the Profit Ledger; and
- (x) tenth, in or towards payment, *pari passu* and *pro rata*, of RC Distributions to the Residual Certificateholders.

In addition to payments pursuant to item (x) of the Post Enforcement Priority of Payments above, the Residual Certificateholders will, on each Interest Payment Date, be entitled to distributions of all amounts standing to the credit of the Prepayment Charges Ledger as at the close of business on the Determination Date immediately preceding such Interest Payment Date.

In such distribution, the manner of making payments to the Residual Certificateholders shall remain as specified prior to the Residual Certificates being declared due and payable. The Residual Certificateholders have limited recourse to the Issuer in respect of the payments prescribed above and accordingly are entitled to bring a claim under English law (subject to the terms of the Trust Deed, the Deed of Charge, the Supplemental (2014A) Deed of Charge and Residual Certificate Condition 17 (*Non Petition and Limited Recourse*)) for the full amount of such payments in accordance with Residual Certificate Condition 9 (*Events of Default*).

The Security will become enforceable upon the giving of an Enforcement Notice pursuant to Condition 9(a) (*Events of Default*) of the Notes or upon any failure by the Issuer to pay the full amount when due on the Notes pursuant to Condition 5(a) (*Final Redemption*) of the Notes or following the giving of notice of redemption of the Notes pursuant to Condition 5(d) (*Early Redemption*) or Condition 5(e) (*Redemption for tax reasons*) of the Notes provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either (A) the Trustee is satisfied that sufficient amounts would be realised to allow discharge in full of all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* therewith or in priority thereto; or (B) the Trustee is of the sole opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Trustee, acting in its absolute discretion, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any other Secured Creditors ranking *pari passu* with or in priority thereto.

Control of Trustee

- (f) The Residual Certificates are subject to the Deed of Charge and the Supplemental (2014A) Deed of Charge pursuant to which the claims and exercise of rights by the beneficiaries of the Security against the Issuer are regulated.

3. Covenants

Save with the prior written consent of the Trustee (but subject as provided in Residual Certificate Condition 10 (*Meetings of Residual Certificateholders; Modifications; Consents; Waiver*)) or as provided in or envisaged by the Conditions of the Notes or any of the Transaction Documents, the Issuer shall not for so long as any Residual Certificate remains outstanding (as defined in the Master Definitions Schedule):

(a) *Negative pledge*

create or permit to subsist any mortgage, sub-mortgage, assignment, assignation, standard security, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation, assignation or other security interest whatsoever upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking;

(b) *Restrictions on activities*

(i) engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

(ii) open nor have any interest in any account whatsoever with any bank or other financial institution other than the Bank Accounts and the Collection Account, save where such account is immediately charged in favour of the Trustee so as to form part of the assets subject to the Security described in Residual Certificate Condition 2 (Status, Security and Administration) and the Trustee receives from such other bank or financial institution an acknowledgement of the security rights and interests of the Trustee and an agreement that it will not exercise any right of set off it might otherwise have against the account in question;

(iii) have any subsidiaries or employees or own, rent, lease or be in possession of any assets (including, without limitation, buildings, premises or equipment);

(iv) act as a director of or hold any office in any company or other organisation;

(v) amend, supplement or otherwise modify its Memorandum or Articles of Association or other constitutive documents; or

(vi) engage, or permit any of its affiliates to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under U.S. federal income tax principles, and hold, or permit any of its affiliates to hold, any mortgaged property that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under U.S. federal income tax principles;

(c) *Dividends or distributions*

pay any dividend or make any other distribution to its shareholders (other than amounts paid from the Profit Ledger) or issue any further shares;

(d) *Borrowings*

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or any obligation of any person;

(e) *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(f) *Disposal of assets*

transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option over any present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein;

(g) *Tax grouping*

(i) apply to become part of any group for the purposes of Section 43 of the Value Added Tax Act 1994 with any other company or group of companies, or any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal the Value Added Tax Act 1994; or

(ii) surrender or consent to the surrender of any amounts by way of group relief within the meaning of Chapter IV of Part X of the Income and Corporation Taxes Act 1988;

(h) *Other*

permit any of the Transaction Documents, the insurance contracts relating to the Mortgages from time to time owned by the Issuer or the priority of the security interests created thereby to be amended, invalidated, rendered ineffective, terminated, postponed or discharged, or consent to any variation thereof, or exercise any powers of consent or waiver in relation thereto pursuant to the terms of the Trust Deed, the Conditions of the Notes and these Residual Certificate Conditions, or permit any party to any of the Transaction Documents or insurance contracts or any other person whose obligations form part of the Security to be released from such obligations, or dispose of any part of the Security save as envisaged in the Transaction Documents; and

(i) *Independent Director*

at any time have fewer than one Independent Director.

In giving any consent to the foregoing, the Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Trustee, acting in its absolute discretion, may deem expedient in the interests of the Noteholders, provided that S&P and Fitch provide prior written confirmation to the Trustee that the then current ratings of the Notes will not be downgraded, withdrawn or qualified as a result of such modifications or additions and notice of such modification and/or addition is given to Moody's.

4. **RC Distributions**

(a) *Entitlement*

Each Residual Certificate bears an entitlement to receive a distribution (an "**RC Distribution**") on each Interest Payment Date equal to a *pro rata* share of the Residual Revenue in respect of such Interest Payment Date.

Each Residual Certificate shall cease to bear an entitlement to any RC Distributions from the date of the cancellation of the Residual Certificates (in accordance with Residual Certificate Condition 5 (*Cancellation*)).

(b) *Payment*

Subject to Residual Certificate Condition 6 (*Payments*), RC Distributions are payable in sterling on the 13th day of March, June, September and December in each year (or if such day is not a Business Day, the next succeeding Business Day) (each such date an "**Interest Payment Date**").

(c) *Determination and Calculation*

The Agent Bank shall, on each Interest Payment Date, determine and notify in writing the Issuer, the Mortgage Administrator, the Trustee, the Paying Agents and the Irish Stock Exchange of the sterling amount of the RC Distributions payable on such Interest Payment Date in respect of each Residual Certificate.

(d) *Publication and other Notices*

As soon as practicable after receiving notification thereof, the Agent Bank (on behalf of the Issuer) will cause the RC Distributions amount payable on each Interest Payment Date to be notified to each stock exchange (if any) on which the Residual Certificates are then listed and will cause notice thereof to be given in accordance with Residual Certificate Condition 13 (*Notice to Residual Certificateholders*).

(e) *Determination or calculation by Trustee*

If the Agent Bank does not at any time for any reason determine and/or calculate the RC Distributions in accordance with paragraph (c), the Trustee shall (at the cost of the Issuer) determine and calculate or procure the determination and calculation of the RC Distributions amount, and any such determination and/or calculation by, or procured by, the Trustee shall be notified (at the cost of the Issuer) in accordance with paragraph (c) above and shall be deemed to have been made by the Agent Bank.

(f) *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Residual Certificate Condition, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Cash/Bond Administrator, the Agent Bank, the Trustee and all Residual Certificateholders and (in the absence of wilful default or bad faith) no liability to the Trustee or the Residual Certificateholders shall attach to the Issuer, to the Cash/Bond Administrator, the Agent Bank or the Trustee in connection with the exercise or non exercise by them or any of them of their powers, duties and discretions hereunder.

5. Cancellation

The entitlement of Residual Certificateholders to receive RC Distributions is contingent on the Notes remaining outstanding. Subject to the payment to Residual Certificateholders of RC Distributions then payable, the Residual Certificates shall be cancelled and will no longer constitute a claim against the Issuer following any redemption of all (but not some only) of the Notes. The Issuer shall not purchase any Residual Certificates.

6. Payments

- (a) Payments of RC Distributions in respect of the Global Residual Certificate will be made to the persons in whose names the Global Residual Certificate is registered on the Register at the close of business on the tenth Business Day before the relevant due date (the "**Record Date**"). Payments in respect of the Global Residual Certificate will be made by transfer to a sterling account maintained by the payee with a bank in London.
- (b) The holder of the Global Residual Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Residual Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Residual Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and Clearstream, Luxembourg as the beneficial owner of a particular principal amount of Residual Certificates represented by such Global Residual Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment made by the Issuer to, or to the order of, the holder of the Global Residual Certificate. Such persons shall have no claim directly against the Issuer in respect of payment due on the Residual Certificates for so long as such Global Residual Certificate is outstanding.
- (c) Payments of RC Distributions in respect of Definitive Residual Certificates will be made by sterling cheque drawn on a bank in London, mailed to the holder (or to the first-named joint holders) of such Definitive Residual Certificates at the address shown on the Register not later than the due date for such payment. For the purposes of this Residual Certificate Condition 6(c) (*Payments*), the holder of a Definitive Residual Certificate will be deemed to be the person shown as the holder (or the first-named of joint holders) on the Register on the Record Date.
- (d) Upon application by the holder of a Definitive Residual Certificate to the specified office of the Registrar not later than the Record Date for any payment in respect of such Definitive Residual Certificate, such payment will be made by transfer to a

sterling account maintained by the payee with a bank in London. Any such application for transfer to such an account shall be deemed to relate to all future payments in respect of the Definitive Residual Certificates which become payable to the Residual Certificateholder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Residual Certificateholder.

- (e) Payments of RC Distributions in respect of the Residual Certificates are subject in all cases to any fiscal or other laws and regulations applicable thereto. No commission or expenses shall be charged to the Residual Certificateholders in respect of such payments.
- (f) The initial Principal Paying Agent, the initial Irish Paying Agent, the initial U.S. Paying Agent and the initial Registrar and their initial specified offices are set out at the end of these Residual Certificate Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and appoint an additional or other Paying Agent; provided that such Paying Agent's officer administering payments in respect of the Residual Certificates is located outside the United States and its possessions. The Issuer undertakes that it will ensure that it maintains a Principal Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive and (so long as the Residual Certificates are listed on the Irish Stock Exchange) a Paying Agent with a specified office in Ireland (which may be the Principal Paying Agent). The Issuer will cause at least 14 days notice of any change in or addition to any Paying Agent or its specified office to be given in accordance with Residual Certificate Condition 13 (*Notice to Residual Certificateholders*).
- (g) If the due date for any payment of an RC Distribution is on a Saturday, a Sunday or a day on which commercial banks and foreign exchange markets do not settle payments and are not open for general business in London, payment will not be made until the next succeeding business day in that location and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Residual Certificate.

7. Prescription

The Global Residual Certificate shall become void unless presented for payment within a period of five years from the date on which the final RC Distributions first became due. Claims for RC Distributions in respect of Definitive Residual Certificates shall become void unless made within a period of five years from the date on which the final RC Distributions first became due. After the date on which a Residual Certificate becomes void in its entirety, no claim may be made in respect thereof.

8. Taxation

- (a) All payments in respect of the Residual Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the relevant Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Residual

Certificates subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event the Issuer or any Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Residual Certificates in respect of such withholding or deduction.

- (b) Without limiting the generality of Residual Certificate Condition 8(a) above, and notwithstanding any other provision in these Residual Certificate Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder or any other person for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.
- (c) Notwithstanding that the Trustee, the Issuer or the Paying Agents are required to make a withholding or deduction or that the Issuer is required to make a FATCA withholding, making such deduction or withholding or FATCA withholding shall not constitute an Event of Default.

9. **Events of Default**

Upon the service of a notice by the Trustee on the Issuer in accordance with Condition 9(a) (*Events of Default*) of the Notes that the Notes are due and repayable, RC Distributions in respect of the Residual Revenue (if any) received by the Issuer as at the date of such declaration shall become immediately due and payable.

10. **Meetings of Residual Certificateholders; Modifications; Consents; Waiver**

- (a) The Trust Deed contains provisions for convening meetings of Residual Certificateholders, to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of the Residual Certificateholders of any modification of the Residual Certificates (including these Residual Certificate Conditions). Any resolution to alter the definition of Permitted Activities or to request that the Issuer undertake any action that is not Permitted Activities shall be by Extraordinary Resolution. For the purposes of, *inter alia*, any Extraordinary Resolution to alter the definition of Permitted Activities any Residual Certificates held by or on behalf of the Seller or any of its Affiliates have no voting rights and are deemed not to be outstanding for the purposes of any vote on such Extraordinary Resolution.
- (b) The quorum at any meeting of the Residual Certificateholders for passing an Extraordinary Resolution shall be one or more persons holding or representing over 50 per cent. of the Residual Certificates, or, at any adjourned meeting, one or more persons being or representing any Residual Certificates whatever the Residual

Certificates so held except that, at any meeting the business of which includes the sanctioning of a Basic Terms Modification, the necessary quorum for passing an Extraordinary Resolution shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., of the Residual Certificates. The quorum at any meeting of the Residual Certificateholders for all business other than voting on an Extraordinary Resolution shall be one or more persons holding or representing in the aggregate not less than 5 per cent. of the Residual Certificates or, at any adjourned meeting, one or more persons being or representing any Residual Certificates whatever the Residual Certificates so held.

- (c) Except in certain circumstances described in the Trust Deed, an Extraordinary Resolution of the Residual Certificateholders shall only be effective when the Trustee is of the opinion that it will not be materially prejudicial to the interests of the Noteholders or any of them, or it is sanctioned by an Extraordinary Resolution of the A Noteholders, the M Noteholders, the B Noteholders, the C Noteholders and the D Noteholders.
- (d) An Extraordinary Resolution passed at any meeting of the Residual Certificateholders shall be binding on all Residual Certificateholders, whether or not they are present at the meeting.
- (e) The Trustee may agree without the consent of the Residual Certificateholders:
 - (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, the Residual Certificates or any of the Transaction Documents without having regard to the interests of the relevant Residual Certificateholders provided that, in the case of a breach of Residual Certificate Condition 4 (*RC Distributions*) or Residual Certificate Condition 6 (*Payments*) or in the case of modification of the Residual Certificate Conditions, the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Residual Certificateholder, and would not constitute a change in any Permitted Activities that the Issuer may undertake; or
 - (ii) to any modification of the Residual Certificates (including these Residual Certificate Conditions) or any of the Transaction Documents, which in the Trustee's sole opinion is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the sole opinion of the Trustee, proven.

11. **Indemnification and Exoneration of the Trustee**

- (a) The Trust Deed contains provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction and, for the avoidance of doubt, whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Residual Certificateholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction. The Trustee and its related companies are entitled to enter into business transactions with, among others, the Issuer, the Mortgage Administrator, the

Cash/Bond Administrator and/or related companies of any of them without accounting for any profit resulting therefrom. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Mortgage Administrator, the Cash/Bond Administrator or any agent or related company of the Mortgage Administrator, the Cash/Bond Administrator or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

- (b) The Trust Deed provides that the Trustee shall be under no obligation to monitor or supervise compliance by the Issuer, the Mortgage Administrator or the Cash/Bond Administrator with their respective obligations or to make any searches, enquiries, or independent investigations of title in relation to any of the Properties secured by the Mortgages.
- (c) The Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties, or (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents. The Trustee will not be liable to any Residual Certificateholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

12. **Replacement of Definitive Residual Certificates**

If any Residual Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent (located outside the United States and its possessions). Replacement of any mutilated, defaced, lost, stolen or destroyed Residual Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Residual Certificates must be surrendered before new ones will be issued.

13. **Notice to Residual Certificateholders**

Any notice to the Residual Certificateholders shall be validly given by any of:

- (a) the information contained in such notice appearing on a page of the Reuters Screen, or any other medium for electronic display of data as may be previously approved in writing by the Trustee (in each case a "**Relevant Screen**");
- (b) by publication in a leading newspaper published in Ireland (which is expected to be The Irish Times) or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper or newspapers as the Trustee shall approve having a general circulation in Dublin;

- (c) whilst the Residual Certificates are in global form, if delivered to Euroclear and/or Clearstream, Luxembourg (as applicable) for communicating them to the Residual Certificateholders; or
- (d) whilst the Residual Certificates are in definitive form, if mailed to the Residual Certificateholders at their respective addresses in the Register.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Residual Certificates are for the time being listed or any other relevant authority.

Any notice under paragraph (a) or (b) shall be deemed to have been given to the Residual Certificateholders on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or in all newspapers in which (or on the Relevant Screen on which) publication is required. Any notice under paragraph (c) shall be deemed to have been given to the Residual Certificateholders on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. Any notice under paragraph (d) shall be deemed to have been given on the third day after being mailed to the address of the relevant Residual Certificateholder at its address stated in the Register.

The Trustee shall be at liberty to sanction some other method of giving notice to the Residual Certificateholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Residual Certificateholders are then listed and provided that notice of such other method is given to the Residual Certificateholders in such manner as the Trustee shall require.

14. Third Party Rights

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Residual Certificates.

15. Governing Law and Jurisdiction

- (a) The Trust Deed and the Residual Certificates are governed by, and shall be construed in accordance with, English law.
- (b) The Issuer has agreed in the Trust Deed that the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Residual Certificates (respectively, the "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) In the Trust Deed, the Issuer has waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agreed not to claim that any such court is not a convenient or appropriate forum.

16. U.S. Tax Treatment and Provision of Information

It is the intention of the Issuer and each Residual Certificateholder and beneficial owner ("**Owner**") of an interest in the Residual Certificates that the Residual Certificates will be

equity of the Issuer, for all United States federal, state and local income and franchise tax purposes and for the purposes of any other United States federal, state and local tax imposed on or measured by income (the "**Intended U.S. Tax Treatment**"). To the extent applicable and absent a final determination to the contrary, the Issuer and each Residual Certificateholder and Owner, by acceptance of any Residual Certificates, or a beneficial interest therein, agree to treat the Residual Certificates, for purposes of United States federal, state and local income or franchise taxes and any other United States federal, state and local taxes imposed on or measured by income, consistent with the Intended U.S. Tax Treatment and to report the Residual Certificates on all applicable tax returns in a manner consistent with such treatment.

17. **Non Petition and Limited Recourse**

- (a) Each of the Residual Certificateholders, by purchasing or subscribing for the Residual Certificates, agrees with the Issuer that notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Residual Certificateholders, including, without limitation, its obligations under the Residual Certificates and the Transaction Documents, are limited in recourse as set out below:
- (i) each Residual Certificateholder agrees that it will have a claim only in respect of, and will be limited to, the property, assets and rights of the Issuer which are subject to the Security and the amounts received, realised or otherwise recovered therefrom and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
 - (ii) sums payable to each Residual Certificateholder on any date in respect of the Issuer's obligations to such Residual Certificateholder on such date shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Residual Certificateholder on such date and (b) the aggregate amount of funds received, realised or otherwise recovered by or for the account of the Issuer and/or Trustee and the other Secured Creditors in respect of the Security whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Issuer on such date in accordance with the Priority of Payments and/or the Redemption Priority, as applicable and the terms of the Deed of Charge and/or the Supplemental (2014A) Deed of Charge in priority to or *pari passu* with sums payable to each Residual Certificateholder; and
 - (iii) on the Final Maturity Date or following final distribution of net proceeds of enforcement of the Security if the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's outstanding payment obligations to that Residual Certificateholder under the Transaction Documents and that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from the enforcement of the Security or otherwise), then that Residual Certificateholder shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.
- (b) Subject to Condition 10 (*Enforcement of Notes*) of the Notes, none of the Instrumentholders or the parties to the Transaction Documents shall be entitled to petition or commence any Insolvency Proceedings in respect of the Issuer for so long

as the Instruments are outstanding, provided that the Trustee may prove or lodge a claim in any Insolvency Proceedings in respect of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Trust Deed.

- (c) None of the parties to the Transaction Documents shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Trust Deed or any other Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

Amendment and Restructuring (2014A) Agreement, Amended and Restated Trust Deed and Supplemental (2014A) Deed of Charge and Restated Transaction Documents

Copies of the Amendment and Restructuring (2014A) Agreement, the Amended and Restated Trust Deed, the Supplemental (2014A) Deed of Charge and the Restated Transaction Documents are available for inspection at the registered office of the Issuer during normal business hours.

Queries may be addressed to the Issuer as follows:

Eurosail Prime-UK 2007-A PLC
c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London EC2R 7AF

Attention: The Directors
Telephone: +44 (0) 20 7397 3600
Fax: +44 (0) 20 7397 3601
e-mail: ComplianceTeam@WilmingtonTrust.com

Ref: Eurosail Prime-UK 2007-A PLC

This Notice is given by the Issuer.

11 February 2014