PROGRAMME MEMORANDUM

LAMBDA FINANCE B.V.

(*incorporated with limited liability in the Netherlands*)

£5,000,000,000 Programme for the issue of Notes

Lambda Finance B.V. (the **"Issuer"**) may issue notes (the **"Notes"**) under this £5,000,000,000 Programme (the **"Programme"**). Notes will be issued in series (each, a **"Series"**). Notes will have the terms and conditions set forth in this Programme Memorandum, as amended or supplemented by a supplementary programme memorandum for such Series (each a **"Supplement"**). The terms and conditions for a Series set out in a Supplement will prevail in the event of any conflict with the terms and conditions herein. Capitalised terms used and not defined on this front page will have the meanings ascribed to them elsewhere in this Programme Memorandum.

Each Series will constitute limited recourse obligations of the Issuer, payable solely from the Collateral in respect of such Series. The Collateral in respect of a Series will consist of the Charged Assets and/or the Charged Agreements specified in a Supplement for such Series, together with the rights and entitlements described in Condition 4.

The Collateral for a Series also will secure the Issuer's obligations to the Swap Counterparty, if any, in respect of such Series, unless otherwise specified in the Supplement for such Series. Barclays Bank PLC will be the Swap Counterparty under any Charged Agreement, unless another entity is specified in the Supplement for such Series.

In addition to the Collateral, the Supplement for a Series will specify the aggregate principal amount, interest, if any, issue price, issue date, maturity date, priority of payments from and claims against the Collateral and any other terms and conditions not contained herein which are applicable to such Series. The Supplement for a Series will further specify whether such Series will be listed on The Irish Stock Exchange Limited (the **"Irish Stock Exchange"**), listed on another stock exchange or unlisted and whether such Series will be rated or unrated and, if rated, the rating agency and its rating.

The aggregate principal amount of Notes outstanding of the Issuer will not at any time exceed £5,000,000,000 (the **"Programme Limit"**), provided that the Issuer may increase such amount as described herein.

If the net proceeds of the enforcement of the Collateral for a Series are not sufficient to make all payments due in respect of the Notes of that Series (after payment of all obligations senior thereto), no other assets of the Issuer will be available to meet such shortfall, and the claims of Noteholders and any Swap Counterparty in respect of such Series and such shortfall shall be extinguished. None of such persons will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall or otherwise.

The Issuer may issue further Notes on the same terms as existing Notes and such further Notes shall be consolidated and form a single series with such existing Notes in accordance with Condition 16.

Application has been made to the Irish Stock Exchange for certain Series of Notes issued under the Programme within 12 months from the date of this Programme Memorandum to be admitted to the Official List of the Irish Stock Exchange. The Supplement for Notes to be listed on the Irish Stock Exchange will be delivered to the Irish Stock Exchange on or before the issue date of such Series of Notes.

Application has been made to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Service Limited (**"Moody's"**) to issue a rating for certain Series issued under the Programme. A security rating of any Notes is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The attention of investors is drawn to "Investor Suitability" on page 7 and "Risk Factors" on page 8.

Arranger

Barclays Bank PLC

The date of this Programme Memorandum is 08 January 2004.

Simmons & Simmons

Citypoint One Ropemaker Street EC2Y 9SS

Notes may be issued in bearer form initially represented by a temporary global Note, by a permanent global Note or by definitive Notes, or in registered form represented by definitive registered certificates and/or a registered certificate in global form. Notes in bearer form will be subject to United States tax law requirements. "Summary of the Programme - Form of Notes" contains further details relating to the form of Notes which may be issued under the Programme and, in the case of a non-U.S. Series or Tranche of Notes, the exchange of interests in a temporary global Note for interests in a permanent global Note and the exchange of interests in a global Note for definitive Notes. "Subscription and Sale" contains further details relating to the selling and transfer restrictions applicable to the Notes.

THIS PROGRAMME MEMORANDUM, TOGETHER WITH THE RELEVANT SUPPLEMENT FOR EACH SERIES, SUPERSEDES ANY PRIOR AGREEMENT, INFORMATION, OR UNDERSTANDING, WRITTEN OR ORAL, RELATING TO SUCH SERIES, AND INVESTORS MUST RELY SOLELY ON THIS PROGRAMME MEMORANDUM AND THE RELATED SUPPLEMENT IN MAKING AN INVESTMENT DECISION AND NOT ON ANY SUCH PRIOR AGREEMENT, INFORMATION OR UNDERSTANDING.

NOTES ISSUED UNDER THE PROGRAMME HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), OR ANY STATE SECURITIES LAWS, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **"1940 ACT"**). EXCEPT AS SET FORTH IN THE RELEVANT SUPPLEMENT, NOTES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND WHICH DO NOT REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE 1940 ACT. BENEFICIAL INTERESTS IN THE NOTES OF ANY U.S. SERIES OR U.S. TRANCHE (EACH AS DEFINED BELOW) MUST BE IN THE MINIMUM DENOMINATION SPECIFIED IN THE APPLICABLE SUPPLEMENT.

Each initial purchaser or holder of Notes of a U.S. Series or U.S. Tranche represented by definitive registered certificates will represent and warrant that: (1) it is purchasing the Notes for its own account (or for accounts as to which it exercises sole investment discretion and in respect of which it has the authority to make, and does make, the statements contained in the Investment Agreement (as defined below)), and it has signed and delivered to the Arranger in relation to the Notes of a U.S. Series or U.S. Tranche an investment agreement or similar document (an **"Investment Agreement"**) containing certain representations and warranties as more fully described under the heading "Investment Agreement" in Condition 1(b)(3) under "Terms and Conditions" herein, and (2) it and any such account referred to in (1) above are either (A) not U.S. Persons or (B) (i)(a) qualified institutional buyers as defined in Rule 144A under the Securities Act (**"QIBs"**) or (b) "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act (**"AIs"**) who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, and (ii)(a) if the exemption provided by Section 3(c)(7) of the 1940 Act is being relied upon, are "Qualified Purchasers" as defined in Section 2(a)(51) of the 1940 Act and the rules and regulations thereunder that are beneficial owners of such Notes for purposes of Section 3(c)(7) of the 1940 Act and the rules and regulations thereunder (**"QPs"**), or (b) if the exemption provided by Section 3(c)(1) of the 1940 Act is being relied upon, will be deemed to be single beneficial owners of such Notes for purposes of Section 3(c)(1) of the 1940 Act and the rules and regulations thereunder. Investors satisfying clause (A) or (B) above are referred to herein as **"Eligible Investors"**. If the applicable Constituting Instrument (as defined below) constituting the Notes of a U.S. Series or a U.S. Tranche states that the exception provided by Section 3(c)(1) of the 1940 Act is being relied upon, in no event shall the total number of beneficial owners of the Notes of such Series that are U.S. Persons be permitted to exceed 100. For this purpose the beneficial owners of Notes of two or more U.S. Series may, in certain circumstances, be aggregated. Each subsequent purchaser or transferee of Notes of a U.S. Series or U.S. Tranche will be required to execute and deliver a transfer letter containing certain representations and warranties, as more fully described under the heading "Transfer Letter" in Condition 1(b)(3) under "Terms and Conditions of the Notes" herein.

Notes of a U.S. Series or U.S. Tranche represented by a registered certificate in global form may be subject to the Alternative Procedures, as more fully described under the heading "Alternative Procedures" in Condition 1(b)(3) under "Terms and Conditions of the Notes" herein. Unless otherwise specified in the applicable Supplement, such Notes may be offered or sold only (i) to non-U.S. Persons (as defined in Regulation S under the Securities Act) outside the United States or (ii) to persons reasonably believed by the Issuer and the Arranger to be QIBs that are also QPs, in reliance on Rule 144A under the Securities Act and Section 3(c)(7) of the 1940 Act. Each initial purchaser and subsequent transferee of such Notes will be deemed to have made the acknowledgements, representations and agreements with the Issuer and the Arranger set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply". To enforce the restrictions on transfer applicable to such Notes, the Issuer shall have the right to force the sale or redemption of such Notes held by U.S. Persons who are determined not to be Qualifying QIBs/QPs (as defined herein).

Unless otherwise specified in the related Supplement, each purchaser or holder of Notes will be deemed to represent that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **"Code"**), a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

Purchasers of the Notes are hereby notified that the Arranger (as defined herein) may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act. So long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **"Exchange Act"**), or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Each Series may be rated by S&P and/or Moody's and/or such other rating agency specified in a Supplement in respect of such Series (each, a **"Rating Agency"** and collectively, the **"Rating Agencies"**). Unrated Series may be issued or entered into provided that the Rating Agencies that rated a prior Series have reviewed the terms of such unrated Series and confirmed in writing that such issuance would not adversely affect any of their respective current ratings of Series then in force.

THE NOTES WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, ANY OTHER ENTITY. THE NOTES CONSTITUTE SECURED LIMITED RECOURSE OBLIGATIONS OF THE ISSUER, AND CLAIMS AGAINST THE ISSUER BY NOTEHOLDERS AND ANY SWAP COUNTERPARTY IN RESPECT OF A SERIES, WILL BE LIMITED TO THE COLLATERAL FOR SUCH SERIES. THE PRIORITY OF PAYMENTS TO AND CLAIMS OF SUCH PERSONS ARE SET OUT IN CONDITION 4, AS SUPPLEMENTED BY THE RELEVANT SUPPLEMENT. IF THE NET PROCEEDS OF ENFORCEMENT OF THE COLLATERAL FOR A SERIES ARE NOT SUFFICIENT TO MAKE ALL PAYMENTS DUE IN RESPECT OF THE NOTES OF THAT SERIES (AFTER PAYMENT OF ALL OBLIGATIONS OF THE ISSUER SENIOR THERETO), NO OTHER ASSETS OF THE ISSUER WILL BE AVAILABLE TO MEET SUCH SHORTFALL AND THE CLAIMS OF NOTEHOLDERS AND ANY SWAP COUNTERPARTY IN RESPECT OF ANY SUCH SHORTFALL SHALL BE EXTINGUISHED. NONE OF SUCH PERSONS WILL BE ABLE TO PETITION FOR THE WINDING-UP OF THE ISSUER AS A CONSEQUENCE OF ANY SUCH SHORTFALL OR OTHERWISE.

This Programme Memorandum will, subject to its being approved by the Irish Stock Exchange in accordance with the requirements of the Irish European Communities (Stock Exchange) Regulations) 1984 (as amended) of Ireland (the **"1984 Regulations"**), comprise listing particulars (**"Irish Listing Particulars"**) approved by the Irish Stock Exchange in relation to the Notes listed on the Irish Stock Exchange and issued during the period of 12 months from the date of such approval and, upon such approval, will be delivered to the Registrar of Companies in Ireland as required by Regulation 13 of the Regulations.

NOTICE TO INVESTORS FROM BARCLAYS BANK PLC

Neither Barclays Bank PLC nor any of its affiliates is under any legal, regulatory or moral obligation to purchase any Charged Assets or support any losses suffered by the Issuer or the purchasers of any Notes or to repurchase or make a market in any Notes. Neither Barclays Bank PLC nor its affiliates guarantees or stands behind the Issuer or the Issuer's obligations under any Notes and neither of them will make good or be under any obligation to make good any losses under the Charged Assets or under any Charged Agreement or any agreements that the Issuer might enter into with any third parties. The Issuer and each person into whose possession this document comes will be deemed to have acknowledged and agreed to the foregoing.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case), the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The delivery of this Programme Memorandum at any time does not imply any information contained herein is correct at any time subsequent to the date hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Programme Memorandum and/or in the relevant Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger.

None of the Arranger, the Swap Counterparty, the Determination Agent, the Realisation Agent, Barclays Bank PLC (in any other capacity in which it acts under the Programme), the Managing Director, the Trustee, the Foundation or any Agent (each as defined herein and together the **"Programme Parties"**) has separately verified the information contained herein and accordingly none of the Programme Parties makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes or their distribution and none of them accepts any responsibility or liability therefor. None of the Programme Parties undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Programme Memorandum or to advise any investor or potential investor in the Notes any information coming to the attention of any of such Programme Parties.

This Programme Memorandum is to be read in conjunction with all the documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference").

This Programme Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Arranger to subscribe for, or purchase, any Notes.

The distribution of this Programme Memorandum and each Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Programme Memorandum comes are required by the Issuer, the Trustee and the Arranger to inform themselves about and to observe any such restriction.

Any investment in short term Notes (Notes with a maturity of less than one year) does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing Notes which are short term Notes.

In this Programme Memorandum, unless otherwise specified or the context otherwise requires, references to **"dollars"**, **"U.S. dollars"**, **"USD"** and **"U.S.$"** are to United States dollars, references to **"euro"**, **"EUR"** and **"€"** are to the currency of the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union and references to **"pounds sterling", "GBP"** and **"£"** are to the lawful currency of the United Kingdom.

In connection with any Series of Notes, the Arranger or other person (if any) which is specified in the relevant Supplement as the stabilising manager (the **"Stabilising Manager"**) or any person acting for the Stabilising Manager may over-allot or effect transactions with a view to supporting the market price of the relevant Series of Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

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INVESTOR SUITABILITY

The purchase of, or investment in, any Notes involves substantial risks. Each prospective purchaser of, or investor in, Notes should be familiar with instruments having characteristics similar to the Notes and should fully review all documentation for and understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision, prospective purchasers of, or investors in, Notes should conduct such independent investigation and analysis regarding the Issuer, the Notes, the Collateral, each Swap Counterparty under a Charged Agreement and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. However as part of such independent investigation and analysis, prospective purchasers of or investors in Notes should consider carefully all the information set forth in the Programme Memorandum relating to the Programme and the Issuer (including the section headed "Risk Factors") and the applicable Supplement and the considerations set out below.

Investment in the Notes is only suitable for investors who:

(1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Programme Memorandum and the relevant Supplement and the merits and risks of an investment in the Issuer in the context of such investors' financial, tax and regulatory circumstances and investment objectives;

(2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time and the risk of the entire loss of any investment in the Issuer;

(3) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes ;

(4) recognise that there is no secondary market for the Notes, and no secondary market is expected to develop in respect thereof, so that the purchase of the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and who are prepared to hold the Notes for an indefinite period of time or until the final redemption or maturity of the Notes; and

(5) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities, including *inter alia* treasuries and finance companies of enterprises.

The applicable Supplement issued in connection with a Series of Notes may also contain further paragraphs headed **"Investor Suitability"** and/or **"Risk Factors"** and particular attention is drawn to those sections.

The Issuer and the Arranger may, in their discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of its investment and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the italicised paragraphs set out in the sections entitled "Terms and Conditions of the Notes - Security" and "Terms and Conditions of the Notes - Enforcement and Limited Recourse".

Notes issued under the Programme may be illiquid, the purchase of or entry into of which involves substantial risks. Neither the Issuer nor the Arranger will undertake to make a market in the Notes of any Series.

RISK FACTORS

THE NOTES INVOLVE SUBSTANTIAL RISKS AND ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF SUCH AN INVESTMENT OR TRANSACTION. THE NOTES ARE NOT PRINCIPAL PROTECTED, UNLESS EXPLICITLY SO PROVIDED IN THE SUPPLEMENT THEREFOR, AND PURCHASERS OF NOTES ARE EXPOSED TO FULL LOSS OF PRINCIPAL. ONLY PROSPECTIVE PURCHASERS OF NOTES WHO CAN WITHSTAND THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD BUY THE NOTES. BEFORE MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN THE LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, ALL THE INFORMATION SET FORTH IN THIS PROGRAMME MEMORANDUM AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND IN THE RELEVANT SUPPLEMENT.

THE FOLLOWING RISK FACTORS ARE A NON-EXHAUSTIVE LIST OF FACTORS FOR INVESTORS TO CONSIDER BEFORE INVESTING IN NOTES. ADDITIONAL FACTORS MAY BE SPECIFIED IN THE SUPPLEMENT FOR THE RELEVANT SERIES.

Limited Recourse

All payments to be made by the Issuer in respect of the Notes of each Series and any Charged Agreement relating to such Series will only be due and payable from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer or the Trustee in respect of the Collateral in respect of such Series.

To the extent that such sums are less than the amount which the holders of the Notes and any Swap Counterparty expected to receive (the difference being referred to herein as a **"shortfall"**), such shortfall will be borne, following enforcement of the security for the Notes, in the inverse of the order of priorities on enforcement specified in Condition 4(d), unless otherwise provided in the applicable Supplement and the related Constituting Instrument and/or Additional Charging Instrument, if applicable.

Each holder of Notes of a Series by subscribing for or purchasing such Notes and any Swap Counterparty relating to such Series will be deemed to accept and acknowledge that it is fully aware that:

(i) the holders of the Notes and any Swap Counterparty shall look solely to the sums referred to in the first paragraph of this section, as applied in accordance with the order of priorities referred to in the second paragraph of this section (the **"Relevant Sums"**), for payments to be made by the Issuer in respect of such Notes and any Charged Agreement relating to such Series;

(ii) the obligations of the Issuer to make payments in respect of such Notes and any such Charged Agreement will be limited to the Relevant Sums and the holders of such Notes and any such Swap Counterparty shall have no further recourse to the Issuer (or any of its rights, assets or properties), the Arranger, the Swap Counterparty or any other Programme Party or person and, without limiting the generality of the foregoing, any right of the holders of such Notes and any such Swap Counterparty to claim payment of any amount exceeding the Relevant Sums shall be automatically extinguished; and

(iii) the Trustee, the holders of such Notes and any such Swap Counterparty shall not be entitled to petition for the winding up of the Issuer as a consequence of any such shortfall or otherwise.

Neither the Trustee nor the Noteholders will be entitled to the benefit of the security created in favour of the Charged Account Trustee pursuant to the Deed of Charge.

No Guarantee of Performance

None of the Programme Parties is obligated to make payments on the Notes, and none of them guarantees the value of the Notes or is obliged to make good on any losses suffered as a result of an investment in the Notes.

Investors must rely solely on the relevant Collateral for payment under the Notes. There can be no assurance that amounts received by the Issuer from the Collateral will be sufficient to pay all amounts when due if at all. Neither the Issuer nor any of the Programme Parties will have any liability to the holders of any Notes as to the amount, or value of, or any decrease in the value of, the relevant Collateral.

Charged Assets

Where in respect of a Series of Notes there are Charged Assets, such Charged Assets will be subject to credit, liquidity and interest rate risks. Such Charged Assets may be rated below investment grade and, in such case, will have greater credit and liquidity risk than investment grade assets. Whether or not such Charged Assets are investment grade, if a default or other mandatory redemption event specified in Condition 7(b) occurs with respect to any Charged Assets securing the Notes of any Series and the Trustee or Realisation Agent (as defined herein) sells or otherwise disposes of such Charged Assets, it is not likely that the proceeds of such sale or disposition will be equal to the unpaid principal and interest thereon. Even in the absence of a default with respect to any of the Charged Assets securing any Series of Notes, due to potential market volatility, the market value of such Charged Assets at any time will vary, and may vary substantially, from the price at which such Charged Assets were initially purchased and from the principal amount of such Charged Assets. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition, or the amount received or recovered upon maturity, of such Charged Assets securing any Series of Notes, or that the proceeds of any such sale or disposition would be sufficient to repay principal of and interest on the Notes of the related Series and amounts payable prior thereto. In the event of an insolvency of an issuer or obligor in respect of the Charged Assets, various insolvency and related laws applicable to such issuer or obligor may limit the amount the Trustee may recover and determine or affect when such recovery may be made.

In addition to the risks described above, if the Charged Assets are in the form of interests in loans rather than bonds, the Charged Assets will be subject to additional liquidity and, in some cases, credit risks. Loans are not generally traded on organised exchange markets but are traded by banks and other institutional investors engaged in loans syndications. Consequently, the liquidity of any loans included in the Charged Assets securing a given Series of Notes will depend on the liquidity of these trading markets, and there can be no assurance that there will be any market for any loan securing a Series of Notes if the Issuer or the Trustee is required to sell or otherwise dispose of such loan. In addition, if so specified in the applicable Supplement, the Charged Assets for a given Series of Notes may include participation interests in loans. Holders of loan participations are subject to additional risks not applicable to a holder of a direct interest in a loan. A holder of a participation interest may be subject to the credit risk of the participating institution, which will remain the legal owner of record of the applicable loan. Participants also do not generally benefit from the collateral (if any) supporting the loans in which they have an interest because loans participations generally do not provide a purchaser with direct rights to enforce compliance by the obligor with the terms of the loan agreement, nor do they provide any rights of set-off against the obligor.

Priority of Payments and Different Classes of Notes

Unless otherwise specified in the applicable Supplement, upon the enforcement of the security for the Notes of a Series comprising more than one class or Tranche, payment of amounts due to the holders of a class or Tranche of Notes ranking senior to one or more junior ranking class or classes (or Tranche or Tranches) of Notes shall be made before payment is made to the next most senior ranking class or Tranche of Notes. Thus, the rights to receive payments in respect of more junior ranking class or classes (or Tranche or Tranches) of Notes are junior and subordinate to the rights to receive payments in respect of more senior ranking class or classes (or Tranche or Tranches) of Notes. The risks of delays in payments or ultimate non-payment of principal and/or interest will be borne disproportionately by holders of the more junior ranking class or classes (or Tranche or Tranches) of Notes as compared to holders of more senior ranking class or classes (or Tranche or Tranches) of Notes. Further upon any enforcement of the security for the Notes of a Series, whether comprised of one or more Classes or Tranches, amounts due and owing to the Swap Counterparty (see "Swap Counterparty's Priority" below) will be paid prior to any payments on the Notes, unless otherwise specified in the related Supplement and Constituting Instrument.

The Trustee will generally be required to have regard to the separate interests of the holders of each class or Tranche. However, in certain circumstances the Trustee shall be required not to have regard to the interests of the holders of a class or Tranche of Notes ranking junior to one or more senior ranking class or

Tranche of Notes to the extent any of such senior class or classes (or Tranche or Tranches) of Notes remain outstanding.

Swap Counterparty's Priority

The obligation of the Issuer to pay all amounts due to the Swap Counterparty after enforcement of security for such Notes will rank senior to all other payments in respect of the Notes of such Series (excluding the right of the Swap Counterparty to receive Clean-Up Payments (as defined in any Charged Agreements in respect of a Related Swap Counterparty Series), which shall be subordinated to the claims of the Noteholders), unless otherwise specified in the related Supplement and Constituting Instrument.

In carrying out its duties and exercising its discretions in respect of any Series of Notes, the Trustee will be under no obligation or duty to act on any directions of the Noteholders or any requests by any Swap Counterparty (save as expressly otherwise provided for). In the event of any conflict between directions given by the Noteholders and any requests by the Swap Counterparty, the Trustee shall be entitled to act only in accordance with the directions of the Noteholders (save as expressly otherwise provided for), provided that if the Swap Counterparty gives directions to the Trustee in connection with any failure to pay when due any amount at any time owing to the Swap Counterparty, the Trustee shall be entitled to act only in accordance with the directions of the Swap Counterparty (save as expressly otherwise provided for).

Issuer Expenses

Provision has been made for the payment of the Issuer's expenses in connection with the Programme and each Series of Notes as provided in Condition 3(b). To the extent that any unanticipated or extraordinary costs and expenses of the Issuer which are payable by the Issuer arise in connection with the Notes or otherwise, the Issuer may have no available funds to pay such costs and expenses and there is a risk that it might become insolvent as a result thereof.

No Secondary Market

A secondary market may not develop in respect of the Notes. In the event that a secondary market in the Notes develops, there can be no assurance that it will provide holders of Notes with liquidity of investment or that it will continue for the life of the Notes. None of the Arranger or any of its affiliates is under any obligation to make a market in, or otherwise offer to repurchase or unwind the terms of, any Notes. In the event that the Arranger or any of its affiliates commences any market making, it may discontinue doing so at any time without notice. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in, and the financial and other risks associated with an investment in, the Notes. Investors must be prepared to hold the Notes for an indefinite period of time or until the final redemption or maturity of the Notes.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. Unless otherwise specified in the applicable Supplement, the Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or any Paying Agents. In addition, in the event that a payment in respect of the Notes is or becomes subject to a withholding or deduction for or on account of any taxes, no additional amount will be payable to Noteholders as a result of such withholding or deduction.

EU Savings Tax Directive

On 03 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 01 January 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction of an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a

withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Holders of Notes who are individuals should note that, if the withholding tax system is adopted as currently envisaged, no additional amounts will be payable by the Issuer in respect of the Notes in respect of any withholding tax imposed as a result thereof.

U.S. Investment Company Act of 1940

In the case of a U.S. Series or U.S. Tranche, sales or transfers of Notes that would cause the Issuer to be required to register as an "investment company" under the 1940 Act will be void and will not be honoured by the Issuer and the Issuer shall have the right at any time, at the expense and risk of the holder of the Notes held by or on behalf of a US person who is not an Eligible Investor at the time it purchases such Notes, (i) to redeem such Notes, in whole or in part, to permit the Issuer to avoid registration under the 1940 Act or (ii) to require such holder to sell such Notes to an Eligible Investor.

Professional market parties

Each Noteholder will be deemed to have represented that it is a professional market party as defined in Section 1, paragraph e, of the Dutch Ministerial Regulation of 26th June, 2002, as amended from time to time, implementing, *inter alia*, Section 6, paragraph 2 of the 1992 Act of the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*), as amended from time to time. In the event that any Noteholder is not a professional market party and the Notes held it are not sold or transferred as set out in Condition 7(k) (*PMP Redemption Event*), the Issuer shall redeem such Notes at their Early Redemption Amount.

Country and Regional Risk

The price and value of any Charged Assets may be influenced by the political, financial and economic stability of the country and/or region in which an obligor of any Charged Assets is incorporated or has its business or of the country of the currency in which any Charged Assets are denominated. In certain cases, the price and value of assets originating from countries ordinarily not considered to be emerging markets countries may behave in a similar manner to those of assets originating from emerging markets countries.

Emerging Markets

The assets comprising the Charged Assets in respect of any Series of Notes may originate from an emerging markets country. Investing in obligations of entities in emerging markets countries or in obligations which are secured by or referenced to such obligations involves certain systemic and other risks and special considerations which include:

(i) the prices of emerging markets obligations may be subject to sharp and sudden fluctuations and declines;

(ii) emerging markets obligations tend to be relatively illiquid. Trading volume may be lower than in debt of higher grade credits. This may result in wide bid/offer spreads generally and in adverse market conditions. In addition, the sale or purchase price quoted for a portion of the Charged Assets may be better than can actually be obtained on the sale of the entire holding of the Charged Assets;

(iii) published information in or in respect of emerging markets countries and the issuers of or obligors in respect of emerging markets obligations has been proven on occasions to be materially inaccurate;

(iv) in certain cases the holders of Notes may be exposed to the risk of default by a sub-custodian in an emerging markets country; and

(v) realisation of Charged Assets comprising emerging markets obligations may be subject to restrictions or delays arising under local law.

Credit Risk

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Issuer, any Swap Counterparty or other obligor with respect to the Collateral. None of the Issuer, any of the Programme Parties or any of their respective affiliates will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the prospective purchasers of the Notes with any information in relation to such matters or to advise as to the attendant risks.

If the issuer(s) of, or obligor(s) under, the relevant Charged Assets or any Swap Counterparty fails to make due and timely payment, or otherwise honour its obligations, under the relevant Charged Assets or Charged Agreement, a loss of principal and/or interest under the Notes may result. Accordingly, the Noteholders assume the credit risk of the issuer(s) of, or obligor(s) under, the relevant Charged Assets and any Swap Counterparty.

None of the Issuer, any of the Programme Parties or any of their affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to, (i) the existence or financial or other condition of the issuer(s) of, or obligor(s) under, the relevant Charged Assets or any Swap Counterparty or (ii) whether the relevant Charged Assets or Charged Agreement constitute legal, valid and binding obligations of the issuer(s) of, or obligor(s) under, the Charged Assets or the Swap Counterparty.

The Noteholders and any prospective purchasers of the Notes will at all times be solely responsible for making their own independent appraisal of, and investigation into, the business, financial condition, prospects, creditworthiness, status and affairs of the issuer(s) of, or the obligor(s) under, the relevant Charged Assets and any Swap Counterparty.

Currency Risk

An investment in Notes denominated and payable in a foreign currency entails significant risks to a Noteholder that would not be involved if a similar investment were made in Notes denominated and payable in such Noteholder's home currency. These risks include, without limitation, the possibility of significant changes in rates of exchange between the foreign currency and such Noteholder's home currency and generally depend on economic and political events over which the Issuer has no control.

Agent Risk

Every payment of principal or interest in respect of the Notes or any class (or Tranche) of Notes to or to the account of the relevant Paying Agent in the manner provided in the Agency Agreement relating to such Notes or class (or Tranche) of Notes shall operate in satisfaction pro tanto of the relative obligation of the Issuer in respect of such Notes or class (or Tranche) of Notes to pay such principal or interest, notwithstanding any default in the subsequent payment thereof by such Paying Agent to the holders of such Notes or class (or Tranche) of Notes. Any receipt by the Custodian of any proceeds in respect of the Charged Assets or any other assets forming part of the Collateral which are required to be applied to pay principal or interest in respect of the Notes or any class (or Tranche) of Notes shall operate in satisfaction pro tanto of the relative obligation of the Issuer in respect of such Notes or class (or Tranche) of Notes to pay such principal or interest, notwithstanding any default in the subsequent payment of such proceeds by the Custodian to the relevant Paying Agent.

Reliance on Creditworthiness of the Swap Counterparty

If a Charged Agreement comprises all or part of the Collateral in respect of a Series of Notes, the ability of the Issuer to meet its obligations under such Notes will be dependent upon, *inter alia*, its receipt of payments from the Swap Counterparty under the Charged Agreement. Consequently, the Noteholders and the Issuer are relying not only on the creditworthiness of the issuers or obligors in respect of the relevant Charged Assets, if any, but also on the full and timely performance by, and creditworthiness of, the Swap Counterparty in respect of its obligations under the Charged Agreement in respect of such Series.

Optional Redemption

If a Charged Agreement comprises all or part of the Collateral in respect of a Series of Notes, such Notes may be subject to early redemption at the election of the Swap Counterparty as provided in the terms and conditions of the relevant Charged Agreement. Investors may be subject to reinvestment risk in such event. It is not possible to determine in advance whether such optional redemption will be exercised.

Provision of Information

None of the Issuer, any of the Programme Parties or any of their respective affiliates makes any representation as to the credit quality of any Swap Counterparty or any issuer or other obligor of a Charged Asset. Any of the foregoing persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to any Swap Counterparty or any issuer or other obligor of a Charged Asset or any Reference Entity. None of such persons is under any obligation to make such information available to Noteholders.

Business Relationships

In as far as allowed under applicable law, including the tax agreement entered into by the Issuer, the Issuer, any of the Programme Parties and any of their respective affiliates may be affiliated to each other or have existing or future business relationships with each other or with any issuer or obligor of a Charged Asset (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder or the value of any Collateral or Notes. Furthermore, the Issuer, any of the Programme Parties and any of their respective affiliates may buy, sell or hold positions in Charged Assets and other obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any obligor of a Charged Asset or any Swap Counterparty.

Conflicts of Interest

Various potential and actual conflicts of interest may arise between the interests of the holders of Notes, on the one hand, and any of the Issuer and the Programme Parties, on the other hand, as a result of the various businesses and activities of such persons, and none of such persons is required to resolve such conflicts of interest in favour of the holders of such Notes.

Such persons may deal in Charged Assets and other obligations and interests in and of the issuer or obligor thereof or any Swap Counterparty, may acquire or accept information from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, any issuer or obligor of a Charged Asset or any Swap Counterparty or otherwise. In connection therewith, such persons may pursue such actions and take such steps as they each deem necessary or appropriate in their discretion to protect their respective interests, and in the same manner as if the Notes did not exist and, without regard as to whether such action or steps might have an adverse effect on the Notes, Collateral, or other obligations or interests of the issuers or obligors thereof or any holders of Notes.

Legality of Purchase

None of the Issuer, any of the Programme Parties or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. However, notwithstanding the lawfulness of any acquisition of the Notes, in the case of a U.S. Series or a U.S. Tranche, where a Note is held by or on behalf of a U.S. person (as defined in Regulation S) who is not an Eligible Investor at the time it purchases such Note, the Issuer may, in its discretion and at the expense and risk of such holder, redeem the Notes of any such holder who holds any Note in violation of the applicable transfer restrictions or compel any such holder to transfer the Notes to an Eligible Investor.

Independent Review and Advice

Each prospective purchaser of Notes is responsible for making its own investment decision and its own independent investigation into and appraisal of the risks arising from an investment in the Notes as well as all risks associated with the issuers and/or obligors of any Charged Assets and any Swap Counterparty. Investors should ensure that they understand the nature and extent of their exposure to risk, that they have all requisite knowledge and experience in investment, financial and business matters and expertise (or access to professional advisers) to make their own legal, regulatory, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and to assess the suitability of such Notes in light of their own circumstances and financial condition.

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, that its acquisition and holding of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

No Fiduciary Role

None of the Issuer, any of the Programme Parties or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation, to any purchaser of Notes.

None of the Issuer or any of the Programme Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Charged Assets or the terms thereof or of any Swap Counterparty or the terms of the relevant Charged Agreement.

Investors may not rely on the views or advice of the Issuer, or any of the Programme Parties for any information in relation to any person other than such Issuer or Programme Party, respectively.

No Reliance

A prospective purchaser may not rely on the Issuer, any of the Programme Parties or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

No Representations

None of the Issuer or any of the Programme Parties makes any representation or warranty, express or implied, in respect of any Charged Assets or any issuer or obligor of any Charged Assets or of any Swap Counterparty or in respect of the relevant Charged Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Charged Assets or of any Swap Counterparty or in respect of the relevant Charged Agreement with any exchange, governmental, supervisory or self regulatory authority or any other person.

None of the Issuer or any of the Programme Parties makes any representation or warranty in respect of the Collateral or in respect of any Swap Counterparty (except that any information set forth in a Supplement relating to Barclays Bank PLC has been obtained from, and shall be the sole responsibility of, the Swap Counterparty).

No Agency Relationship

The Swap Counterparty (if any) specified in respect of a Series of Notes will solely be acting as a contractual counterparty to the Issuer under the Charged Agreement. It is not, and will not be deemed to be acting as, the agent or trustee of the Issuer or the holders of any Notes in connection with the exercise

of, or the failure to exercise, any of the rights or powers of the Swap Counterparty under the Charged Agreement or otherwise.

Volatility

The market value of the Notes (whether indicative or firm) will vary over time and may be significantly less than par (or even zero) in certain circumstances. The Notes may not trade at par or at all.

Enforcement of Legal Liabilities

The Issuer is incorporated under the laws of the Netherlands. The managing director of the Issuer named herein resides outside the United States and all or substantially all of the assets of the Issuer are located outside the United States. It may not be possible to enforce, in original actions in the courts of the Netherlands, liabilities predicated solely on U.S. federal securities laws.

Legal Opinions

Whilst legal opinions relating to the issue of a Series of Notes may be obtained by the Arranger and/or the Trustee with respect to English law and the laws of the Netherlands, it is not intended that opinions be obtained with respect to any other applicable laws, including the laws of the country of incorporation of the obligor(s) under the Charged Assets (if any) or any Swap Counterparty and which, depending on the circumstances, may affect *inter alia*, the effectiveness and ranking of the security for the Notes, or with respect to the validity, enforceability or binding nature of any Charged Assets or Charged Agreement.

DOCUMENTS INCORPORATED BY REFERENCE

This Programme Memorandum should be read and construed in conjunction with each relevant Supplement and the most recently published accounts of the Issuer from time to time (if any) which shall be deemed to be incorporated in, and to form part of, this Programme Memorandum and which shall be deemed to modify or supersede the contents of this Programme Memorandum to the extent that a statement contained in any such document is inconsistent with such contents. Copies of the documents which are incorporated herein by reference will be available free of charge from the specified offices of the Irish Listing Agent (as specified on the back page) and the Paying Agent in Ireland (if any) and are available for inspection at the specified offices of the Trustee and the Principal Paying Agent. Any documents incorporated by reference into this Programme Memorandum do not form part of the Irish Listing Particulars.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Programme Memorandum and, in relation to each Series of Notes the Supplement relating to such Series. Words and expressions defined or used in "Terms and Conditions of the Notes" or in the relevant Supplement shall have the same meaning herein.

Issuer:	Lambda Finance B.V.
Description:	£5,000,000,000 Programme for the issue of Notes
Size:	Up to £5,000,000,000 aggregate principal amount of Notes outstanding at any time, as determined by the Issuer as follows: (i) if any Notes are denominated in a currency other than pounds sterling, the pounds sterling equivalent thereof shall be determined by or on behalf of the Issuer on a date specified by or on behalf of the Issuer (which may be before the issue date thereof), (ii) if any Notes are a discount or zero coupon obligation, the purchase price thereof shall be used in connection with the foregoing limitation, and (iii) any Notes that have been purchased by the Issuer shall be disregarded in connection with the foregoing limitation. Notwithstanding the foregoing, the Issuer may increase the Programme Limit without the consent of any Noteholder or any other person, as provided in clause 8 of the Master Placing Terms.
Arranger:	Barclays Bank PLC.
Security:	Unless otherwise specified in the relevant Supplement, the Notes of each Series issued under the Programme will be secured in the manner set out in Condition 4 under "Terms and Conditions of the Notes" below, including by way of (i) a first fixed charge on, and/or an assignment by way of security of and/or other security interest over, the relevant Charged Assets (as more particularly described below), if any, and on all rights and sums derived therefrom, (ii) an assignment of the Issuer's rights against the Custodian (as defined below), if any, with respect to the Charged Assets relating to such Series under the relevant Custody Agreement (as defined herein) and a first fixed charge on all funds in respect of the Charged Assets relating to such Series held from time to time by the Custodian, (iii) a first fixed charge on all funds held from time to time by the Principal Paying Agent or, as the case may be, the Registrar (each as defined below) to meet payments due under the Notes of such Series, (iv) an assignment of the Issuer's rights, title and interest under the relevant Agency Agreement, and (v) an assignment of the Issuer's rights, title and interest against the Arranger and against the seller of the Charged Assets under the relevant Charged Assets Sale Agreement (the **"Seller"**) and all sums derived therefrom in respect of the Notes of such Series, and shall also be secured by an assignment of the Issuer's rights under any Charged Agreement

(as more particularly described below), together with such additional security (if any) as may be described in the applicable Supplement.

The obligations of the Issuer to any Swap Counterparty under any Charged Agreement may also be secured by certain assets comprised in the Collateral. The relative priority of claims of Noteholders and each relevant Swap Counterparty upon enforcement are set forth in Condition 4(d), unless otherwise provided for in the applicable Constituting Instrument.

Issuer Expenses:

The anticipated fees and expenses of the Agents, the expenses of the Managing Director and the other anticipated ongoing expenses of the Issuer (including, without limitation, legal fees and expenses, registered office fees and expenses and filing and annual return fees payable to the Netherlands Government), including those which are related to a particular Series and those which are not related to a particular Series (collectively, **"Issuer Expenses"**), will be paid either (i) out of the proceeds of the issuance of the related Series, and/or (ii) by the Issuer from corresponding amounts payable to the Issuer under the Charged Agreement relating to one or more Related Swap Counterparty Series (as defined below) as are not required by the Issuer to satisfy its obligations to make payments in respect of the Notes of the relevant Series (**"Swap Counterparty Additional Payments"**), as specified in the related Supplement, Constituting Instrument and, if relevant, Charged Agreement.

Any Swap Counterparty Additional Payments that are provided for under the terms of a Charged Agreement in respect of a particular Series, the Swap Counterparty in respect of which is Barclays Bank PLC and the Trustee of which is The Bank of New York (each, a **"Related Swap Counterparty Series"**) shall be credited by the Issuer to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with The Bank of New York (the **"Account Manager"**) for, on behalf of, and in the name of the Issuer which do not relate to any particular Series (such accounts and any replacement for such accounts, together the **"Issuer General Expense Accounts"** and each an **"Issuer General Expense Account"**) and/or to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with the Account Manager for, on behalf of, and in the name of the Issuer which relate to such Series (such accounts and any replacement for such accounts, together the **"Issuer Series Expense Accounts"** and each an **"Issuer Series Expense Account"** and, each Issuer Series Expense Account together with the Issuer General

Expense Accounts, the **"Issuer Expense Accounts"** and each an **"Issuer Expense Account"**) or to the Issuer Dutch Account (as defined below).

Pursuant to the terms of an account agreement dated 16 December 2003 between the Issuer, the Account Manager, The Bank of New York and Barclays Bank PLC in its capacities as Arranger and Swap Counterparty (the **"Account Agreement"**), the Account Manager has agreed that it shall, on behalf of the Issuer, open, maintain and operate the Issuer Expense Accounts, receive any Swap Counterparty Additional Payments and transfer the same to pay the Issuer Expenses and any Clean-Up Payments (as defined in any Charged Agreement in respect of a Related Swap Counterparty Series) required to be made by the Issuer to Barclays Bank PLC in its capacity as Swap Counterparty under the terms of a Charged Agreement in respect of a Related Swap Counterparty Series.

The obligations of the Issuer to make Clean-Up Payments to Barclays Bank PLC, in its capacity as Swap Counterparty, under the terms of any Charged Agreement in respect of a Related Swap Counterparty Series are secured by (i) a fixed charge in favour of the Trustee (as trustee for the Swap Counterparty) over all funds and any other assets now or hereafter standing to the credit of each Issuer General Expense Account and each Issuer Series Expense Account from time to time opened by and held with the Account Manager, the debts represented by such moneys and all of the Issuer's rights, benefits, powers, privileges, authorities, discretions and remedies relating to each Issuer General Expense Account and each Issuer Series Expense Account and (ii) an assignment in favour of the Trustee (as trustee for the Swap Counterparty) of all of the Issuer's rights, title, benefit and interest in, to and under the Account Agreement and all sums derived therefrom pursuant to a Deed of Charge dated 16 December 2003 entered into between the Issuer, The Bank of New York, as trustee thereunder (in such capacity, the "**Charged Account Trustee**") and Barclays Bank PLC, as Swap Counterparty (the **"Deed of Charge"**). The security created in favour of the Charged Account Trustee under the Deed of Charge will not secure amounts payable to Noteholders.

Issuer Dutch Account:

The "**Issuer Dutch Account**" is an account in the name of the Issuer with Deutsche Bank AG Amsterdam branch, the Netherlands, into which the Euro 18,000 issued and paid up share capital of the Issuer and any amounts required to be retained by the Issuer as minimum profit under the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities have been deposited. Pursuant to a pledge of account dated 11 December

2003 (the "**Pledge of Account**"), the Issuer has granted a pledge in favour of the Managing Director over the Issuer Dutch Account and all amounts standing to the credit thereto as security for the Issuer's obligations to the Managing Director under the management agreement dated 11 December 2003 between the Managing Director and the Issuer (the **"Management Agreement"**).

Trustee:

The Bank of New York or as otherwise specified in the relevant Supplement.

The terms of the appointment of the Trustee in relation to each Series of Notes will be set out in the Master Trust Terms to be incorporated into the Constituting Instrument in respect of such Series of Notes. The Master Trust Terms, amongst other things, shall specify the rights and responsibilities of the Trustee in respect of such Series of Notes and the security for such Series of Notes and the application of moneys received by the Trustee upon the enforcement of such security.

The Issuer has the power of appointing a new Trustee in respect of a Series of Notes but no person shall be appointed who has not previously been approved by an extraordinary resolution of the Noteholders of such Series and each Swap Counterparty (if any) in respect of such Series has consented in writing and, in the case of a Series of Notes which is rated at the request of the Issuer, each Rating Agency which assigned a rating to such Notes. A Trustee may retire upon giving not less than 60 days' notice in writing to the Issuer without assigning any reason and without being responsible for any costs associated with such retirement. Noteholders may remove the Trustee by extraordinary resolution provided that the retirement or removal of any sole Trustee or sole trust corporation shall not become effective until a trust corporation is appointed as successor Trustee.

Issue Agent and Principal Paying Agent:

The Bank of New York.

In relation to a Series or Tranche of Notes which are to be listed on the Irish Stock Exchange, AIB/BNY Fund Management (Ireland) Ltd. or as otherwise specified in the relevant Supplement will act as Paying Agent in Ireland.

Registrar:

The Bank of New York or as otherwise specified in the relevant Supplement.

Custodian:

The Bank of New York or as otherwise specified in the relevant Supplement.

Realisation Agent:

Barclays Bank PLC or as otherwise specified in the relevant Supplement, if applicable.

Method of Issue:

The Notes will be issued on a syndicated or non-syndicated basis and will be in Series. The Notes in each Series will have one or more issue dates and be on terms otherwise identical (or identical other than in respect of the first payment of interest) and will be intended to be interchangeable with all other Notes of that Series.

Issue Price:

Notes may be issued at their principal amount or at a discount or premium to their principal amount as specified in the relevant Supplement. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments as specified in the relevant Supplement.

Form of Notes:

The following applies only to Notes of a non-U.S. Series/non-U.S. Tranche: If the Constituting Instrument in respect of a Series of Notes specifies that such Series (a **"non-U.S. Series"**) or a Tranche thereof (a **"non-U.S. Tranche"**) may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) (**"U.S. Persons"**), such non-U.S. Series or non-U.S. Tranche may comprise Notes in bearer form (**"Bearer Notes"**), in bearer form exchangeable for Registered Notes (**"Exchangeable Bearer Notes"**) or in registered form (**"Registered Notes"**) only. Unless otherwise specified in the applicable Constituting Instrument, Bearer Notes and Exchangeable Bearer Notes of a non-U.S. Series or a non-U.S. Tranche will be issued pursuant to Section 1.163-5(c)(2)(i)(D) of the Treasury Regulations under the Code (**"D Notes"**). Unless the context otherwise requires, references herein to Bearer Notes shall include Exchangeable Bearer Notes.

Each non-U.S. Series or non-U.S. Tranche of Bearer Notes and Exchangeable Bearer Notes which are D Notes will initially be represented by one or more Notes in temporary global form (each a **"Temporary Global Note"**). Such Temporary Global Note will be held by a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (**"Euroclear"**, which expression shall include, where the context so permits, any successor in business of Euroclear) and Clearstream Banking, société anonyme (**"Clearstream, Luxembourg"**, which expression shall include, where the context so permits, any successor in business of Clearstream, Luxembourg), or in any other clearing system specified in the applicable Supplement. Interests in the Temporary Global Note may be exchanged for interests in a permanent global Note (each a **"Permanent Global Note")**, or, if so provided in the relevant Supplement for definitive Bearer Notes, upon certification of non-U.S. beneficial ownership not earlier than the first day (the **"Exchange Date"**)

following the 40 day period commencing on the original issue date of the Notes (the **"40-Day Restricted Period"**).

Each non-U.S. Series or non-U.S. Tranche of Bearer Notes and Exchangeable Bearer Notes issued pursuant to Section 1.163-5(c)(2)(i)(C) of the Treasury Regulations under the Code (**"C Notes"**) will be represented by a Permanent Global Note or by definitive Bearer Notes. The applicable Constituting Instrument relating to each Series will state if the Notes of such Series or Tranche are C Notes.

Each Permanent Global Note will, if so provided in the relevant Constituting Instrument, be exchangeable, in whole but not in part, for definitive Bearer Notes under the limited circumstances set forth in Condition 1.

Each non-U.S. Series or non-U.S. Tranche of Registered Notes will be represented by definitive registered certificates (**"Registered Certificates"**) and/or a registered certificate in global form (a **"Global Registered Certificate"**) which will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg or in any clearing system specified in the applicable Constituting Instrument. Definitive Exchangeable Bearer Notes will be exchangeable for definitive Registered Notes only if and to the extent so specified in the relevant Supplement. Definitive Registered Notes will not be exchangeable for Bearer Notes or an interest therein.

The following applies only to Notes of a U.S. Series/U.S. Tranche: If the Constituting Instrument in respect of a Series of Notes or Tranche of Notes specifies that such Series (**a "U.S. Series"**) or a Tranche thereof (a **"U.S. Tranche"**) may be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, such U.S. Series or U.S. Tranche shall be Registered Notes and may be offered or sold only (i) outside the United States, to non-U.S. Persons in accordance with Regulation S or (ii) in the United States, to QIBs or to AIs who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, in each case in transactions exempt from registration under the Securities Act. Notes of a U.S. Series or U.S. Tranche shall be issued in the minimum denomination specified in the relevant Supplement.

Unless otherwise specified in the applicable Supplement, Notes of a U.S. Series or U.S. Tranche offered or sold to investors in the United States or to U.S. Persons will be issued as Registered Certificates only and will not be eligible for deposit or clearance through Euroclear, Clearstream,

Luxembourg, The Depository Trust Company (**"DTC"**) or any alternative clearing system.

Certain offering and transfer restrictions in respect of the Notes, including Notes comprised of a U.S. Series or U.S. Tranche, are set out in the sections herein entitled "Terms and Conditions of the Notes - Form, Denomination and Title" and "Subscription and Sale" and may also be set out in the applicable Supplement. As set forth more fully therein, purchases and transfers of Notes may require the delivery of written certifications as to certain matters.

References herein to **"Noteholder"** or **"holder"** mean the bearer of any Bearer Note or the person in whose name a Registered Note is registered.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currency or currencies as the Issuer and the Arranger agree as specified in the relevant Supplement.

Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity between seven days and 50 years as specified in the relevant Supplement.

Where the Issuer wishes to issue Notes with a maturity of less than one year to Irish residents, it shall ensure that it is in full compliance with the notice by the Central Bank of Ireland of exemptions granted under section 8(2) of the Central Bank Act, 1971 (as amended) of Ireland, including that the Notes comply with, inter alia, the following criteria:

(i) at the time of issue, the Notes must be backed by assets to at least 100 per cent. of the value of the Notes issued;

(ii) at the time of issue, the Notes must be rated at least investment grade by one or more recognised rating agencies; and

(iii) the Notes must be issued and transferable in minimum denominations of €317,434.51 or the foreign currency equivalent.

Denomination: Notes will be in such denominations as may be specified in the relevant Supplement.

Type of Notes: The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Variable Coupon Amount Notes, Interest Only Notes, Long Maturity Notes, Credit-Linked Notes, Index-Linked Notes or such other type of Note as the Issuer and the Arranger may agree that the Issuer can issue under the Programme and in each case the terms applicable to them shall be as specified in the

	relevant Supplement. Terms other than as described in this Summary applicable to any Notes which the Issuer and the Arranger may agree that the Issuer can issue under the Programme will be set out in the relevant Supplement.
Mandatory Redemption:	If (i) (a) any of the Charged Assets in respect of a Series or any amounts outstanding thereunder become due and repayable (in whole or in part), prior to their stated date of maturity or other date or dates for their payment or repayment or (b) any obligor in respect of the Charged Assets fails to make, when and where due, in the currency and manner due, any payment of any amount under the Charged Assets without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Charged Assets (as provided for in the terms and conditions of the Charged Assets as at the date such Charged Assets become a Charged Asset) or, (ii) the Charged Assets comprise any agreement of the type contemplated in the definition herein of Charged Agreement, such agreement is terminated by any party thereto, in each case whether or not by reason of an event of default (howsoever described) thereunder or if there is a payment default in respect of such agreement without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such agreement, or (iii) any other event as may be specified as an "Additional Mandatory Redemption Event" in the applicable Supplement has occurred, the security for the Notes may become enforceable and if such security does become enforceable, the Notes shall be redeemed in full unless otherwise stated in the Supplement (always subject as provided in "- Limited Recourse" below).
Optional Redemption:	The Supplement issued in respect of each issue of Notes of a Series or Tranche will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in "**-** Redemption by Instalments", "- Mandatory Redemption" and "- Optional Redemption" above, Notes will be redeemable prior to maturity only (i) upon termination of the relevant Charged Agreement (if any) on the date of such termination, or (ii) in such circumstances as are specified in Condition 9 of the Notes, or (iii) in the case of Notes of a U.S. Series or a U.S. Tranche, if the Issuer so requires upon determining that the holder of a beneficial interest in a Global Registered Certificate is not a Qualifying QIB/QP (as defined herein).

Status of Notes:

The Notes of each Series will be secured limited recourse obligations of the Issuer ranking *pari passu* and without preference among themselves (save in the case of a Series comprising more than one class or Tranche of Notes, in which case the Notes of each such class or Tranche will rank *pari passu* and without preference among themselves but not, save to the extent specified in the applicable Supplement, with Notes of another class or Tranche comprised in such Series; in such a case, the ranking and preference of each class or Tranche of Notes will be as specified in the relevant Supplement). (See also "- Security" above.)

Charged Assets:

The Charged Assets in relation to a Series of Notes are those, if any, which are specified as such in the relevant Supplement and which may comprise, without limitation, (i) debt securities or negotiable instruments (including, without limitation, bonds, commercial paper, notes, debentures, promissory notes, certificates of deposit or bills of exchange) of any form, denomination, type and issue, (ii) shares, stock or other equity securities of any form, denomination, type and issuer, (iii) the benefit of loans, evidences of indebtedness or other rights whatsoever, contractual or otherwise (including, without limitation, sub-participation, documentary or standby letters of credit or swap, option, exchange or other arrangements of the type contemplated in the description of "Charged Agreement" below) assigned or transferred to or otherwise vested in, or entered into by, the Issuer or (iv) any other assets all as may be more particularly specified in the applicable Supplement. The Charged Assets in relation to a Series of Notes may comprise a pool or portfolio of one or more of any of the foregoing and, if so specified in the applicable Supplement relating to such Series, may also comprise the Charged Assets for one or more other Series of Notes (a **"Related Series"**).

In the event that the Charged Assets in respect of a Series of Listed Notes are comprised (in whole or in part) by equity securities, such equity securities shall be listed on a stock exchange or traded on another regulated and regularly operating open market).

Realisation of Charged Assets:

If a Realisation Agent has been appointed in respect of the Notes, the Realisation Agent shall, pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Charged Assets as soon as reasonably practicable on or after (and in any event within a period (the **"Realisation Period"**) of 10 Business Days from the date on which it receives an instruction to do so in accordance with the Conditions.

If the Realisation Agent has not been able to

liquidate all or part of the Charged Assets within the Realisation Period it must sell them at its expiry, irrespective of the price obtainable and regardless if such price is close to or equal to zero. If, however, the Realisation Agent determines that there is no available market for the Charged Assets, or if the Realisation Agent otherwise determines that it is impossible to sell or otherwise realise the Charged Assets or any part thereof, the Realisation Agent will promptly notify the Issuer, the Trustee and the Swap Counterparty of such lack of availability or impossibility and the Realisation Agent shall not be required to effect the sale or other realisation of the Charged Assets or any part thereof. Any such determination by the Realisation Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, the Swap Counterparty and the Noteholders. In the event that the Realisation Agent makes such determination the Trustee at its discretion may, and shall if so requested or directed in accordance with the relevant paragraph of Condition 4(c) (but subject in each case to its being indemnified in accordance with such paragraph), realise all or part of the Charged Assets by other means.

Charged Agreement:

Barclays Bank PLC will be counterparty (**"Swap Counterparty"**) under each Charged Agreement (if any) in relation to a Series of Notes unless otherwise specified in the Supplement for such Series. The Charged Agreement will comprise those agreements which are specified as such in the relevant Supplement. Any such agreement may comprise (i) any transaction which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), in each case, as applicable, whether single-name or portfolio-based, (ii) any transaction which is a type of transaction that is similar to any transaction referred to in (i) that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt

instruments, or economic indices or measures of economic risk or value and any combination of the foregoing transactions entered into in connection with a particular Series, or (iii) any other transaction executed with a Swap Counterparty specified in a Supplement. The Supplement for any Series of Notes may, subject in the case of a rated Series to the requirements of any relevant recognised debt rating agency, require any Swap Counterparty to any Charged Agreement with the Issuer to deposit security, collateral or margin, or to provide a guarantee, in respect of its obligations under such Charged Agreement in the circumstances specified in such Supplement. However, in the absence of such a requirement no such security, collateral, margin or guarantee will be made or provided.

Negative Pledge/Restrictions:

There will be no negative pledge. So long as any Notes remain outstanding, the Issuer will not, without the prior written consent of the Trustee, engage in any business (other than transactions contemplated by this Programme Memorandum in relation to the Issuer) or declare any dividends or make any other distributions to shareholders (other than from the Issuer Dutch Account) or have any subsidiaries. The Issuer will undertake to notify any relevant recognised rating agency which has assigned a rating (at the request of the Issuer) to any Series or Tranche of Notes of any change in its corporate status (including, without limitation, any change in its principal objects or business).

Cross Default:

None.

Withholding Tax:

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes.

Unless otherwise specified in the applicable Supplement, the Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or any Paying Agents. In addition, in the event that a payment in respect of the Notes is or becomes subject to a withholding or deduction for or on account of any taxes, no additional amount will be payable to Noteholders as a result of such withholding or deduction.

Further Issues:

Unless otherwise provided in the relevant Supplement the Issuer may from time to time issue further Notes of any Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single series with such existing Notes of the same Series; provided that, unless otherwise approved by Extraordinary

	Resolution of Noteholders of the relevant Series, the Issuer shall provide additional assets as security for such further Notes and existing Notes in accordance with Condition 16.
Governing Law of Notes:	English law, or as otherwise provided in the applicable Supplement.
Listing:	Notes of any Series may, if so specified in the relevant Supplement, be listed on the Official List of the Irish Stock Exchange within 12 months of the date of this Programme Memorandum or on any other stock exchange as specified in the relevant Supplement. Unlisted Notes may also be issued.
Selling and Transfer Restrictions:	There are restrictions on the offer or sale of Notes and the distribution of offering material - see "Subscription and Sale" below. The applicable Supplement in relation to the Notes of a particular Series or Tranche may contain additional or other restrictions on the offer or sale of, or grant of a participation in, Notes of the relevant Series or Tranche.
Rating:	Each Series of Notes may be rated by one or more Rating Agencies as specified in the Supplement in respect of a Series of Notes. Unrated Series may be issued or entered into provided that the Rating Agencies that rated a prior Series have reviewed the terms of such unrated Series and confirmed in writing that such issuance would not adversely affect any of their respective current ratings of Series then in force. Any rating of any Notes issued hereunder will be specified in the relevant Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the **"Master Conditions"**) which, subject to completion and amendment and as supplemented, varied or restated in accordance with the provisions of the relevant Constituting Instrument and save for the italicised text, will be incorporated by reference into the Trust Deed constituting the Series or Tranche of Notes and endorsed on Notes in definitive form (if any). The relevant Supplement will indicate, or set out in full, those provisions of these Master Conditions, and the amendments, variations and the supplementary provisions to such Master Conditions or any restatement thereof, which are, in each case, applicable to the Notes of such Series or Tranche. References in the Master Conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme.*

The Notes of the Series (as defined below) of which this Note forms a part (in these terms and conditions, the **"Notes"**) are constituted, governed and secured (where applicable) by or pursuant to a constituting instrument relating to the Notes (the **"Constituting Instrument"**) dated the Issue Date (as defined in Condition 6(j)) between the **"Issuer"** (as defined in the Constituting Instrument), each person (if any) named therein as a swap counterparty (each a **"Swap Counterparty"**, which expression as used herein shall mean all or any of such persons, as the case may be), the **"Trustee"** (as defined in the Constituting Instrument and which expression shall include all persons for the time being the trustee or trustees under the Trust Deed, as defined below) and other parties (if any) named therein. The Constituting Instrument constitutes and (where applicable) secures the Notes by the creation of a trust deed (the **"Trust Deed"**) on the terms (as amended, modified and/or supplemented by the Constituting Instrument) set out in the master trust terms (the **"Master Trust Terms"**) as specified in the Constituting Instrument. If so provided in the Constituting Instrument, the Issuer has, by executing the Constituting Instrument, entered into a custody agreement in respect of the Notes (the **"Custody Agreement"**) with the **"Custodian"** (as defined in the Constituting Instrument), the Trustee and each Swap Counterparty on the terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master custody terms (the **"Master Custody Terms"**) as specified in the Constituting Instrument. By executing the Constituting Instrument, the Issuer has also entered into an agency agreement (the **"Agency Agreement"**) with one or more of the parties defined in the Constituting Instrument as the **"Issue Agent"**, the **"Principal Paying Agent"**, the **"Interest Calculation Agent"**, the **"Determination Agent"**, the **"Realisation Agent"**, the **"Registrar"**, the **"Transfer Agent"** (which term may include more than one Transfer Agent) and any other **"Paying Agents"** (such other Paying Agents being defined as such together with the Principal Paying Agent), the Trustee and each Swap Counterparty (if any) on the terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master agency terms (the **"Master Agency Terms"**) as specified in the Constituting Instrument.

Statements in these terms and conditions (the **"Conditions"**) are summaries of, and subject to, the detailed provisions appearing in the Trust Deed relating to the Notes and, if it is stated in the Constituting Instrument that the Notes are issued with the benefit of one or more additional instruments (each an **"Additional Charging Instrument"**) creating security interests over the Charged Assets (as defined in Condition 4(a)) if any, each Additional Charging Instrument. Copies of the Master Trust Terms, the Master Agency Terms, the Master Custody Terms, the Constituting Instrument in relation to the Notes and, if applicable, each Additional Charging Instrument are available for inspection at the registered office of the Trustee and at the specified offices of the Paying Agents, the Registrar and the Transfer Agents (in each case, if any) in respect of the Notes. In respect of the Notes, references herein to the **"Issue Agent"**, the **"Principal Paying Agent"** or the **"Registrar"** shall include, respectively, any successor Issue Agent, Principal Paying Agent or Registrar and references herein to the **"Paying Agents"**, the **"Transfer Agents"**, the **"Realisation Agent"** or the **"Custodian"** shall include, respectively, any successor or additional Paying Agents, Transfer Agents or Custodian, in each case appointed in accordance with the Agency Agreement or, as the case may be, the Custody Agreement. In respect of the Notes, references herein to **"Agents"** are to the Issue Agent, the Principal Paying Agent, the other Paying Agents, the Interest Calculation Agent, the Registrar, the Transfer Agents, the Custodian, the Determination Agent, the Realisation Agent and each other agent appointed in accordance with the Agency Agreement or, as the case may be, the Custody Agreement, as applicable. The holders of the Notes and the holders of the interest coupons (the **"Coupons"**) (if any) appertaining to interest bearing Notes in bearer form (the **"Couponholders"**, which expression includes the Talonholders and the Receiptholders referred to below), the holders of talons (the **"Talons"**) (if any) for further coupons attached to such Notes (the **"Talonholders"**) and the holders of instalment receipts (the **"Receipts"**) appertaining to the payment of principal by instalments (the **"Receiptholders"**) are entitled to the benefit of, are bound by, and are

deemed to have notice of, all the provisions of the Trust Deed relating to the Notes and, if applicable, any Additional Charging Instrument and to have notice of those provisions of the Custody Agreement, the Agency Agreement and the Charged Agreement (as defined in Condition 4(b)) applicable to them. References herein to the **"Arranger"** are to the person specified as such in the relevant Constituting Instrument acting in its capacity as such and references to the **"Programme Memorandum"** are references to the Programme Memorandum dated 16 December 2003, as amended, supplemented, restated and replaced from time to time.

References in these Conditions to (i) **"principal"** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it; (ii) **"interest"** shall be deemed to include all Interest Amounts (as defined in Condition 6(j)) and all other amounts in the nature of interest payable pursuant to Condition 6 or any amendment or supplement to it; (iii) unless the relevant Constituting Instrument provides otherwise, a **"Series"** shall be construed as a reference to Notes which are denominated in the same currency (or, in the case of Dual Currency Notes, which have identical provisions relating to the currency in which payments are or may be made in respect thereof), have the same issue date, the same maturity date and bear interest (if any) or have a discount on the same basis or at the same rate (except in respect of the first payment of interest) and on terms otherwise identical; and (iv) a **"Tranche"** shall be construed as a reference to a tranche of Notes which form part of the same Series as Notes comprised in another Tranche. References to the **"Conditions"** shall be construed in relation to a Series as a reference to these Conditions as amended, supplemented or restated in relation to such Series by the relevant Constituting Instrument.

The master definitions (as amended, modified and/or supplemented by the relevant Constituting Instrument) (the **"Master Definitions"**) as specified in the Constituting Instrument will apply for the purposes of interpretation of the Conditions, except as expressly provided therein or as the context otherwise requires. References herein to the **"Placing Agreement"** in relation to the Notes are to the relevant Placing Agreement between the Issuer and the Arranger as constituted by the Constituting Instrument on the terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master placing terms (the **"Master Placing Terms"**) and references to the **"Charged Assets Sale Agreement"** are to the relevant Charged Assets Sale Agreement between the Issuer and the seller of the Charged Assets as constituted by the Constituting Instrument on the terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master charged assets sale terms (the **"Master Charged Assets Sale Terms"**).

The Constituting Instrument will state whether the Issuer has entered into a Charged Agreement with respect to a Series, in the absence of which the Conditions of such Series shall be construed as if references to any Swap Counterparty and any Charged Agreement were not applicable.

The Constituting Instrument will state whether there are any Charged Assets with respect to a Series and/or any Custody Agreement or Custodian, in the absence or which the Conditions of such Series shall be construed as if references to any Charged Assets, any Custodian and/or any Custody Agreement, as the case may be, were not applicable.

1. Form, Denomination and Title

(a) *Bearer Notes*

(1) If it is specified in the Constituting Instrument that Notes are in bearer form (**"Bearer Notes"**), the Bearer Notes if issued in definitive form shall be serially numbered in an Authorised Denomination (as defined in Condition 1(c)), and shall be D Notes (as defined below) unless specified in the Constituting Instrument that the Notes are C Notes (as defined below). The principal amount of each Note will be specified on its face.

No Bearer Note may be offered, sold or delivered within the United States or to or for the account of a U.S. Person (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder (the **"Code"**)), except in certain transactions permitted by U.S. tax regulations.

Each Series of Bearer Notes or a Tranche thereof issued pursuant to Section 1.163-5(c)(2)(i)(D) of the Treasury Regulations under the Code (**"D Notes"**) will initially be represented by one or more notes in temporary global form (a **"Temporary Global Note"**) without Receipts, Coupons or Talons, and each Series of Bearer Notes or a Tranche thereof issued pursuant to Section 1.163-5(c)(2)(i)(C) of the Treasury Regulations under the Code (**"C Notes"**) will be represented by one or more notes in permanent global form (a **"Permanent Global Note"**) without Receipts, Coupons or Talons or by definitive Bearer Notes. A Temporary Global Note and/or a Permanent Global Note, as the case may be, will be delivered to a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system (**"Euroclear"**) and Clearstream Banking, société anonyme (**"Clearstream, Luxembourg"**). Any reference herein to Euroclear or Clearstream, Luxembourg shall, wherever the context permits, be deemed to include a reference to any additional or alternative clearing system as specified in the applicable Constituting Instrument in which beneficial interests in the Notes are for the time being recorded (an **"Alternative Clearing System"**) and shall include any successor in business to Euroclear or Clearstream, Luxembourg or any such Alternative Clearing System. Notwithstanding the foregoing, Bearer Notes shall not be eligible for deposit with The Depository Trust Company (**"DTC"**). Euroclear, Clearstream, Luxembourg, DTC and any Alternative Clearing System are each sometimes referred to herein as a **"Clearing System"** and collectively as **"Clearing Systems"**. Any reference in this Condition 1(a) to a Permanent Global Note shall be deemed to be a reference to a Permanent Global Note representing either D Notes or C Notes, as the context requires, and any reference herein to a Note shall be deemed to be a reference to a D Note or a C Note, as the context requires.

If a date for the payment of interest on any Bearer Note occurs while such Bearer Note is represented by a Temporary Global Note, the related interest payment will be made against presentation of the Temporary Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Global Note) has been received by Euroclear or Clearstream, Luxembourg. Interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note or for definitive Bearer Notes, with, where applicable, Receipts, Coupons and Talons attached in the circumstances and subject to the conditions specified in the Constituting Instrument, not earlier than the first day (the **"Exchange Date"**) following the 40 day period commencing on the original issue date of the Notes (the **"40-Day Restricted Period"**), provided that certification of non-U.S. beneficial ownership has been received. Save for payments of interest as described above, no payments will be made on a Temporary Global Note unless, upon due presentation of a Temporary Global Note for exchange (together with certification of non-U.S. beneficial ownership), delivery of a Permanent Global Note (or, as the case may be, an interest therein) or definitive Bearer Notes is improperly withheld or refused and such withholding or refusal is continuing at the relevant due date for payment.

Payments of principal or interest (if any) in respect of a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System against presentation or surrender, as the case may be, of the Permanent Global Note. A Permanent Global Note will, if so provided in the relevant Constituting Instrument be exchangeable, in whole but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached (i) on request from the holder thereof (or all of the holders acting together, if more than one) upon not less than 60 days' prior written notice to the Issuer and the Issue Agent given (in the case of D Notes) not earlier than the relevant Exchange Date, (ii) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System which would not be suffered were the Bearer Notes in definitive form and a certificate to such effect is given to the Trustee, or (iii) at the option of the holder (or of all the holders acting together, if more than one) if the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Permanent Global Note for payment or if either Euroclear or Clearstream, Luxembourg or any Alternative Clearing System in which the Permanent Global Note is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an

intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no Alternative Clearing System satisfactory to the Trustee and the Principal Paying Agent is available, all as set out in the Constituting Instrument.

No definitive Bearer Note delivered in exchange for a portion of a Permanent Global Note shall be sent by post or otherwise delivered to any location in the United States or its possessions in connection with such exchange.

(2) Title to the Bearer Notes, the Receipts (if any) the Coupons (if any) and the Talons (if any) passes by delivery. In these Conditions, subject as provided below, **"Noteholder"** and (in relation to a Note, Receipt, Coupon or Talon) **"holder"** means the bearer of any Bearer Note, Receipt, Coupon or Talon (as the case may be). The holder of any Note, Receipt, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

For so long as the Notes are represented by a Temporary Global Note or a Permanent Global Note (together **"Global Notes"**) and the Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg or on behalf of an Alternative Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System, as appropriate, and each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) or an Alternative Clearing System as the holder of a particular principal amount of the Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such Alternative Clearing System as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression **"Noteholders"** and references to **"holding of Notes"** and to **"holder of the Notes"** shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Notes and provided that such principal amount is an integral multiple of an Authorised Denomination.

The following legend will appear on all D Notes, Permanent Global Notes representing D Notes and any Receipts, Coupons or Talons in respect thereof:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

The sections of the Code referred to in the foregoing legend provide that, with certain exceptions, a United States taxpayer will not be entitled to deduct any loss, and will not be entitled to capital gains treatment in respect of any gain realised, on any sale, disposition or payment of a Note, Receipt, Coupon or Talon for U.S. federal income tax purposes.

(b) *Registered Notes*

(1) General

If it is specified in the Constituting Instrument that Notes are in registered form or if as a result of an exchange of Bearer Notes pursuant to Condition 2(a) Notes are in registered form (in both cases, **"Registered Notes"**), such Registered Notes shall be in an Authorised Denomination or an integral multiple thereof as specified in the Constituting Instrument. The

principal amount of each Note will be specified on the face of the definitive registered certificate (**"Registered Certificate"**) or the global registered certificate (**"Global Registered Certificate"**) as applicable representing the Registered Notes. Subject to the procedures discussed below, title to the Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar (the **"Register"**). In these conditions, subject as provided below, **"Noteholder"** and **"holder"** means the registered holder of any Registered Notes.

(2) Non-U.S. Series/Non-U.S. Tranche

If the Registered Notes comprise a Series (a **"non-U.S. Series"**) or a Tranche (a **"non-U.S. Tranche"**) for which the Constituting Instrument specifies that the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the **"Securities Act"**)), such Registered Notes will be initially represented by a Registered Certificate or a Global Registered Certificate.

Payments of principal or interest (if any) in respect of a Global Registered Certificate will be made through Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System or, if so specified in the Constituting Instrument, through the person named in such Constituting Instrument, against, in the case of payments of principal only, presentation or surrender, as the case may be, of the Global Registered Certificate. A Global Registered Certificate will, if so provided in the relevant Constituting Instrument, be exchangeable, in whole but not in part, for Registered Certificates (i) on request from the holder thereof (or of all the holders acting together, if more than one) upon not less than 60 days' prior written notice to the Issuer and the Trustee or, (ii) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System which would not be suffered were the Registered Notes in definitive form and a certificate to such effect is given to the Trustee, (iii) at the option of the holder (or all of the holders acting together, if more than one) if the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Global Registered Certificate for payment or if either Euroclear or Clearstream, Luxembourg or any Alternative Clearing System in which the Global Registered Certificate is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Global Registered Certificate or does in fact do either of such things and no Alternative Clearing System satisfactory to the Trustee and the Registrar is available, all as set out in the Constituting Instrument.

For so long as the Notes are represented by a Global Registered Certificate and the Global Registered Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or an Alternative Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System, as appropriate, and each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) or an Alternative Clearing System as the holder of a particular principal amount of the Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such Alternative Clearing System as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression **"Noteholders"** and references to **"holding of Notes"** and to **"holder of the Notes"** shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Registered Certificate.

Each initial purchaser and subsequent transferee of Registered Notes of a Non-U.S. Series or a Non-U.S. Tranche, unless otherwise specified in the related Supplement, will be deemed to have represented, warranted, undertaken, acknowledged and agreed with the Issuer and the Arranger:

(i) that the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the **"1940 Act"**). Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and that does not require the Issuer to register under the 1940 Act; and

(ii) that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

Subject to the restrictions (if any) referred to in the Constituting Instrument, Registered Notes of a non-U.S. Series or a non-U.S. Tranche which are represented by a Registered Certificate may be transferred in whole or in part in an Authorised Denomination or an integral multiple thereof upon the surrender of the Registered Certificate representing such Registered Notes, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Certificate, new Registered Certificates in the relevant amounts will be issued to the transferor and the transferee.

Each new Registered Certificate to be issued upon transfer of Registered Notes of a non-U.S. Series or a non-U.S. Tranche will (subject as referred to in the Constituting Instrument), within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom the form of transfer shall have been delivered) of receipt of such form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) stipulated in the form of transfer, or be mailed at the risk of the holder entitled to the Registered Certificate to such address as may be specified in such form of transfer.

Exchange of Registered Certificates on transfer will (subject as provided in the Constituting Instrument) be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

No Noteholder may require the transfer of a Registered Note to be registered during the period of 15 days ending on the due date for any payment of principal, interest or any amounts due upon redemption of such Note.

If Registered Notes are represented by a Global Registered Certificate, such Global Registered Certificate will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg or an Alternative Clearing System or in the name of such other person as the Constituting Instrument shall provide.

(3) U.S. Series/U.S. Tranche

If the Registered Notes comprise a Series (a **"U.S. Series"**) or a Tranche (a **"U.S. Tranche"**) for which the Constituting Instrument specifies that the Notes may be offered or

sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), such Registered Notes may only be represented by Registered Certificates provided that if the Constituting Instrument specifies that the alternative procedures described below (the **"Alternative Procedures"**) apply, then such Registered Notes will be initially represented by a Global Registered Certificate deposited with a nominee of DTC. If the Alternative Procedures do not apply then, unless otherwise specified in the applicable Constituting Instrument, Registered Notes of a U.S. Series or a U.S. Tranche will not be eligible for deposit or clearance with Euroclear, Clearstream, Luxembourg, DTC or any Alternative Clearing System. Notes of a U.S. Series or U.S. Tranche, whether in the form of Registered Certificates or a Global Registered Certificate, shall be issued in the minimum denominations specified in the Constituting Instrument.

Any Registered Notes of a U.S. Series or U.S. Tranche will be offered and sold only (i) outside the United States, to non-U.S. Persons pursuant to Regulation S or (ii) to or for the account or benefit of U.S. Persons that are (A) (i) qualified institutional buyers (**"QIBs"**) as defined in Rule 144A (**"Rule 144A"**) under the Securities Act or (ii) "accredited investors" (**"AIs"**) within the meaning of Rule 501(a)(1), (2), (3), (7) (**"Rule 501"**) under Regulation D under the Securities Act who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, and (B) (i) in the case of U.S. Persons, Qualified Purchasers as defined in Section 2(a)(51) of the 1940 Act and the rules and regulations thereunder that are beneficial owners of such Notes for purposes of Section 3(c)(7) of the 1940 Act and the rules and regulations thereunder (**"QPs"**), or (ii) single beneficial owners of such Notes for purposes of Section 3(c)(1) of the 1940 Act and the rules and regulations thereunder. The relevant Constituting Instrument will state whether the exemption provided by Section 3(c)(7) or Section 3(c)(1) of the 1940 Act will apply to the Registered Notes of a U.S. Series or a U.S. Tranche.

Any Registered Notes of a U.S. Series or U.S. Tranche will bear a legend (the **"Legend"**) substantially to the same effect as the contents of the Investment Agreement referred to below, and transfers of such Registered Notes may only take place in accordance with the provisions of the Legend.

Investment Agreement applicable to Registered Notes of a U.S. Series/U.S Tranche

As a condition to purchasing the Registered Notes of a U.S. Series or U.S. Tranche, each initial purchaser or holder of the Notes represented by such Registered Notes will sign and deliver to the Arranger an investment agreement or similar document (an **"Investment Agreement"**), and the Arranger will undertake to provide a copy of such signed Investment Agreement to the Issuer. Unless the Constituting Instrument specifies otherwise, by virtue of having signed an Investment Agreement, each initial purchaser or holder of the Registered Notes of a U.S. Series or U.S. Tranche shall have made certain representations, warranties, acknowledgements and agreements to and/or with the Arranger and the Issuer, including, but not limited to, the following:

(i) that it is acquiring the Notes for its own account or for accounts as to which it exercises sole investment discretion (**"Clients"**) and it and any Client either (A) are not "U.S. Persons" as defined in Regulation S under the Securities Act, or (B) make the following statements, representations and acknowledgements in connection with its purchase and holding of the Notes:

(aa) it understands that the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and will not be registered as an investment company under the 1940 Act. Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and does not require the Issuer to register under the 1940 Act;

(bb) it understands that the Notes will bear the Legend, and that its investment is subject to the restrictions contained in the Legend;

(cc) it represents that it and any Client are "qualified institutional buyers" as defined in Rule 144A under the Securities Act or "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act who are acquiring the Notes for investment purposes and not with a view to the distribution thereof;

(dd) it represents that it and any Client are (i) "Qualified Purchasers" as defined in Section 2(a)(51) of the 1940 Act and the rules and regulations thereunder and will be beneficial owners of the Notes for purposes of Section 3(c)(7) of the 1940 Act and the rules and regulations thereunder, if Section 3(c)(7) of the 1940 Act is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument, or (ii) will be deemed to be a single beneficial owner of the Notes for purposes of Section 3(c)(1) of the 1940 Act and the rules and regulations thereunder, if Section 3(c)(1) of the 1940 Act is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument; and

(ee) it represents that it is a sophisticated investor with the knowledge, sophistication and experience in business and financial matters to allow it to evaluate the merits and risks of an investment in the Notes and that it is capable of bearing the economic risk of such investment; and

(ii) that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and it is not using the assets of any such plan to acquire the Notes.

Transfer Letter applicable to Registered Notes of a U.S. Series/U.S Tranche

Each subsequent purchaser or transferee of Registered Notes of a U.S. Series or U.S. Tranches (whether such purchase or transfer is from the Issuer or the Arranger or from subsequent purchasers or transferees) will be required (unless otherwise specified in the Constituting Instrument), as a condition to its entitlement to be entered on the Register maintained by the Registrar with respect to the Notes represented by such Registered Certificates, to execute and deliver a transfer letter (a **"Transfer Letter"**) substantially in the form set out in the form of Registered Certificate comprised in the Trust Deed or in such other form as may be specified in the Constituting Instrument.

Unless otherwise specified in the Constituting Instrument, each subsequent purchaser or transferee of Registered Notes of a U.S. Series or U.S. Tranche shall have, by virtue of having signed a Transfer Letter, represented, warranted, acknowledged and agreed with the Arranger and the Issuer that:

(i) the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and will not be registered as an investment company under the 1940 Act. Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and does not require the Issuer to register under the 1940 Act;

(ii) it is (A) not a U.S. Person as defined in Regulation S under the Securities Act or (B) both (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act, (2) a "Qualified Purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules and regulations thereunder that is the beneficial owner of such Notes for purposes of Section

3(c)(7) of the 1940 Act and the rules and regulations thereunder, if such section is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument, or the single beneficial owner of the Notes for purposes of Section 3(c)(1) of the 1940 Act and the rules and regulations thereunder, if such section is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument; and

(iii) it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

Transfers of Registered Notes of a U.S. Series/U.S. Tranche

If the Constituting Instrument states that the exception under Section 3(c)(1) of the 1940 Act applies to a U.S. Series or U.S. Tranche, the Issuer has agreed to limit to an aggregate of 100 the number of U.S. Persons which are at any time the beneficial owners of Notes of such U.S. Series or Tranche. In such case, the Issuer may put in place procedures (which may include certification requirements) to ensure that transfers of Registered Notes will not result in there being more than 100 beneficial owners of Notes of the relevant U.S. Series who are U.S. Persons.

If the Constituting Instrument states that the exception under Section 3(c)(7) of the 1940 Act applies to a U.S. Series or U.S. Tranche, the Issuer has agreed to limit to QPs those U.S. Persons which are at any time the beneficial owners of Notes of such U.S. Series or U.S. Tranche. In such case the Issuer may put in place procedures (which may include certification requirements) to ensure that transfers will not result in the Notes being held by any U.S. Person who is not a QP).

Subject as provided in the relevant Constituting Instrument, requests for the transfer of the whole or part of a Registered Certificate in an Authorised Denomination or an integral multiple thereof may be made by the surrender of the Registered Certificate, together with the form of transfer endorsed on such Registered Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Certificate, a new Registered Certificate in respect of the balance not transferred will be issued to the transferor.

Each new Registered Certificate to be issued upon transfer of Registered Notes of a U.S. Series or U.S. Tranche will (subject as referred to in the relevant Transfer Letter and/or the Constituting Instrument) within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom the form of transfer shall have been delivered) of receipt of such form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) stipulated in the form of transfer, or be mailed at the risk of the holder entitled to the Registered Certificate to such address as may be specified in such form of transfer.

Exchange of Registered Certificates on transfer will (subject as provided in the relevant Constituting Instrument) be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

No Noteholder may require the transfer of a Registered Certificate to be registered during the period of 15 days ending on the due date for any payment of principal, interest or any amounts due upon redemption of such Note.

Payments of principal or interest (if any) at the request of the holder (or all holders, if more than one) shall be made through the relevant Clearing System or, if so specified in the Constituting Instrument, through the person named in such Constituting Instrument, against, in the case of payments of principal only, presentation or surrender, as the case may be, of the Global Registered Certificate. A Global Registered Certificate will be exchangeable, in whole but not in part, for Registered Certificates if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of the relevant Clearing System which would not be suffered were the Notes in definitive registered form (and a certificate to such effect is given to the Trustee) or otherwise only at the request of the holder (or all holders, if more than one) (i) if the relevant Clearing System is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Global Registered Certificate or does in fact do either of such things and no alternative clearing system satisfactory to the Trustee, the Principal Paying Agent and the Registrar is available; or (ii) the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Global Registered Certificate for payment all as set out in the Constituting Instrument. In such case, Registered Certificates issued in exchange for the Global Registered Certificate shall bear such legend, and holders of the Registered Certificates issued on exchange shall be required to comply with such transfer and resale restrictions, as may be required to permit compliance with the Securities Act and the 1940 Act with respect to such Registered Certificates.

For so long as the Notes are represented by a Global Registered Certificate and the Global Registered Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or an Alternative Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System, as appropriate, and each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) or an Alternative Clearing System as the holder of a particular principal amount of the Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such Alternative Clearing System as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression **"Noteholders"** and references to **"holding of Notes"** and to **"holder of the Notes"** shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Registered Certificate.

In the case of Registered Notes placed under Rule 144A, so long as any of such Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Any purchaser of Notes that is a registered U.S. investment company should consult its own counsel regarding the applicability of Section 12(d) and Section 17 of the 1940 Act and the rules promulgated thereunder to its purchase of the Notes and should reach an independent legal conclusion with respect to the issues involved in such purchase.

Alternative procedures

If the relevant Constituting Instrument specifies that the Alternative Procedures apply, such Registered Notes of a U.S. Series or U.S. Tranche will be initially represented by a Global

Registered Certificate deposited with Cede & Co, as nominee of DTC, and will be eligible for deposit and clearance through DTC only. Unless otherwise specified in the applicable Constituting Instrument, such Notes may be offered or sold only to non-U.S. Persons outside the United States or to persons reasonably believed by the Issuer and the Arranger to be QIBs under Rule 144A that are also QPs under the 1940 Act. Each initial purchaser and subsequent transferee of such Notes will be deemed to have made the acknowledgements, representations and agreements with the Issuer and Arranger set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum.

In the event that a holder of a beneficial interest in a Global Registered Certificate is a U.S. Person and is determined not to be a Qualifying QIB/QP (as defined under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum), the Issuer shall have the right (the **"Sale/Redemption Right"**) to (1) force the holder to sell such beneficial interest to a non-U.S. Person in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act or to a U.S. Person that is a Qualifying QIB/QP, or (2) redeem the Notes held by the holder for a redemption price per Note equal to the Early Redemption Amount (as defined in Condition 7(e)). In addition, the Issuer shall have the right to refuse to register or otherwise honour a transfer of beneficial interests in a Global Registered Certificate to a proposed transferee that is a U.S. Person who is not a Qualifying QIB/QP.

Unless otherwise specified in the Constituting Instrument, each purchaser or holder of Notes will be deemed to represent that it is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the Code, a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

Any Global Registered Certificate to which the Alternative Procedures apply will bear a legend (the **"Global Legend"**) setting forth (1) the minimum denomination of the Global Registered Certificate, (2) a description of the Sale/Redemption Right and (3) provisions substantially to the same effect as the information set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum. Transfers of such Global Registered Certificate or any beneficial interests therein shall only take place in accordance with the provisions of the Global Legend. The Issuer shall not remove the Global Legend (except for the provisions therein with respect to resales under Rule 144A, provided that the applicable holding period under Rule 144(k) has been satisfied) so long as any Notes of such U.S. Series are outstanding.

If the Alternative Procedures apply, the Issuer will, for so long as any Notes of a U.S. Series or U.S. Tranche are outstanding, use all reasonable endeavours to take certain actions to maintain its qualification for exemption from registration as an "investment company" under the 1940 Act. These actions include, but are not limited to, requesting that DTC, Bloomberg Financial Markets Commodities News and the CUSIP Bureau attach special indicators to their descriptions of the Global Registered Certificates which highlight the transfer restrictions on such Notes and requesting that DTC send a notice to all participants in DTC (**"DTC Participants"**) in connection with the initial offering of such Global Registered Certificates.

The Issue Agent on behalf of the Issuer shall also send a notice (the **"Annual DTC Notice"**) to DTC Participants holding an interest in a Global Registered Certificate to which the Alternative Procedures apply, once per year on the anniversary of the issue date of the Notes of a U.S. Series or U.S. Tranche represented by such Global Registered Certificate, containing information substantially to the same effect as that set forth under the heading

"Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum.

(c) *Authorised Denomination*

Authorised Denomination means the denomination or denominations specified as such in the Constituting Instrument.

(d) *Type of Note*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Variable Coupon Amount Note, a Long Maturity Note, an Interest Only Note (depending upon the basis for calculating interest specified in the Constituting Instrument) or such other form of Note as the Issuer and the Arranger may agree that the Issuer can issue under the Programme and shall have such other terms as are specified in the Constituting Instrument. All payments in respect of this Note shall be made in the currency shown on its face unless it is specified in the Constituting Instrument to be a Dual Currency Note (which for the purposes of these Conditions shall include Notes in respect of which payments shall, or may at the option of the Issuer or any holder, be made in more than one currency or in a different currency than that which would otherwise prevail in the absence of the exercise of any such option), in which case payments shall be made on the basis specified in the Constituting Instrument.

Interest bearing Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest (if any) due after the Maturity Date (as defined in Condition 7(a)), or other date for redemption) and Coupons in these Conditions are not applicable. After all the Coupons attached to or issued in respect of any Bearer Note which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation and surrender of the relevant Talon at the specified office of any Paying Agent. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

2. Exchange of Notes

(a) *Exchange of Bearer Notes*

Subject as provided in this Condition 2 and provided that, in the case of D Notes, certification of non-U.S. beneficial ownership has been received, Bearer Notes exchangeable for Registered Notes (**"Exchangeable Bearer Notes"**) may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of the Exchangeable Bearer Note to be exchanged together with all unmatured Receipts, Coupons and Talons relating to it (if any) at the specified office of the Registrar or any Transfer Agent. Where, however, an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8(b)(2)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it.

Registered Notes may not be exchanged for Bearer Notes, unless otherwise specified in the Constituting Instrument.

(b) *Delivery of new Registered Certificate/Global Registered Certificate*

Each new Registered Certificate or Global Registered Certificate to be issued upon request for exchange of Exchangeable Bearer Notes will, within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom such request for exchange shall have been delivered) of receipt of such request for exchange, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) stipulated in the request for exchange, or be mailed at the risk of the holder entitled to the Registered Certificate or Global Registered Certificate to such address as may be specified in such request for exchange.

(c) *Formalities free of charge*

The issue of Registered Certificates or a Global Registered Certificate upon an exchange of Bearer Notes and registration of the holder thereof will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant holder (or the giving of such indemnity by the relevant holder as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(d) *Closed periods*

No Noteholder may require a Bearer Note to be exchanged for a Registered Note during the period of 15 days ending on the due date for any payment of principal on that Note or any payment of interest thereon or after such Note has been called for redemption.

(e) *Authorised Denomination*

Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination.

3. Status of Notes and Issuer Expenses

(a) *Status*

The Notes, Receipts, Coupons and Talons (if any) of any Series are secured limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 10 and will rank *pari passu* without any preference among themselves, save in the case of a Series of Notes comprising more than one Tranche or class of Notes, in which case the Notes of each such Tranche or class will rank *pari passu* and without any preference among themselves but not, save to the extent specified in the Constituting Instrument, with Notes of another Tranche or class comprised in such Series. In such a case the ranking and preference of each class or Tranche of Notes will be as set out in the Constituting Instrument.

(b) *Issuer Expenses*

The anticipated fees and expenses of the Agents, the expenses of Structured Finance Management (Netherlands) B.V. as the managing director of the Issuer (the **"Managing Director"**) and the other anticipated ongoing expenses of the Issuer (including, without limitation, legal fees and expenses, registered office fees and expenses and filing and annual return fees payable to the Netherlands Government), including those which are related to a particular Series and those which are not related to a particular Series (collectively, **"Issuer Expenses"**), will be paid either (i) out of the proceeds of the issuance of the related Series and/or (ii) by the Issuer from corresponding amounts payable to the Issuer under the Charged Agreement relating to one or more Related Swap Counterparty Series (as defined below) as are not required by the Issuer to satisfy its obligations to make payments in respect of the Notes of the relevant Series (**"Swap Counterparty Additional Payments"**), as specified in the related Supplement, Constituting Instrument and, if relevant, Charged Agreement.

Any Swap Counterparty Additional Payments that are provided for under the terms of a Charged Agreement in respect of a particular Series the Swap Counterparty in respect of which is Barclays Bank PLC and the Trustee of which is The Bank of New York (each, a **"Related Swap Counterparty Series"**) shall be credited by the Issuer to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with The Bank of New York (the **"Account Manager"**) for, on behalf of, and in the name of the Issuer which do not relate to any particular Series (such accounts and any replacement for such accounts, together the **"Issuer General Expense Accounts"** and each an **"Issuer General Expense Account"**) and/or to one or more interest bearing accounts of the Issuer denominated in euro and/or pounds sterling and/or U.S. dollars, as applicable, opened by and held with the Account Manager for, on behalf of, and in the name of the Issuer which relate to such Series (such accounts and any replacement for such accounts, together the **"Issuer Series**

Expense Accounts" and each an **"Issuer Series Expense Account"** and, each Issuer Series Expense Account together with the Issuer General Expense Accounts, the **"Issuer Expense Accounts"** and each an **"Issuer Expense Account"**) or to the Issuer Dutch Account (as defined below).

Pursuant to the terms of an account agreement dated 16 December 2003 between the Issuer, the Account Manager, The Bank of New York and Barclays Bank PLC in its capacities as Arranger and Swap Counterparty (the **"Account Agreement"**), the Account Manager has agreed that it shall, on behalf of the Issuer, open, maintain and operate the Issuer Expense Accounts, receive any Swap Counterparty Additional Payments and transfer the same to pay the Issuer Expenses and any Clean-Up Payments (as defined in any Charged Agreement in respect of a Related Swap Counterparty Series) required to be made by the Issuer to Barclays Bank PLC in its capacity as Swap Counterparty under the terms of a Charged Agreement in respect of a Related Swap Counterparty Series.

The obligations of the Issuer to make Clean-Up Payments to Barclays Bank PLC, in its capacity as Swap Counterparty, under the terms of any Charged Agreement in respect of a Related Swap Counterparty Series are secured by (i) a fixed charge in favour of the Trustee (as trustee for the Swap Counterparty) over all funds and any other assets now or hereafter standing to the credit of each Issuer General Expense Account and each Issuer Series Expense Account from time to time opened by and held with the Account Manager, the debts represented by such moneys and all of the Issuer's rights, benefits, powers, privileges, authorities, discretions and remedies relating to each Issuer General Expense Account and each Issuer Series Expense Account and (ii) an assignment in favour of the Trustee (as trustee for the Swap Counterparty) of all of the Issuer's rights, title, benefit and interest in, to and under the Account Agreement and all sums derived therefrom pursuant to a Deed of Charge dated 16 December 2003 entered into between the Issuer, The Bank of New York, as trustee thereunder (in such capacity, the "**Charged Account Trustee**") and Barclays Bank PLC, as Swap Counterparty (the **"Deed of Charge"**). The security created in favour of the Charged Account Trustee under the Deed of Charge will not secure amounts payable to Noteholders.

The "**Issuer Dutch Account**" is an account in the name of the Issuer with Deutsche Bank AG Amsterdam branch, the Netherlands, into which the Euro 18,000 issued and paid up share capital of the Issuer and any amounts required to be retained by the Issuer as minimum profit under the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities have been deposited. Pursuant to a pledge of account dated 11 December 2003 (the "**Pledge of Account**"), the Issuer has granted a pledge in favour of the Managing Director over the Issuer Dutch Account and all amounts standing to the credit thereto as security for the Issuer's obligations to the Managing Director under the Management Agreement.

4. Security

(a) *Security*

Unless otherwise specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, any and all security granted by the Issuer in respect of any Series shall be granted with full title guarantee and as continuing security in favour of the Trustee, who shall hold such security for itself and on trust for each Swap Counterparty, if there are one or more Charged Agreements in respect of the Series, the Noteholders and such other persons as may be specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, such security being held in the order of priority described in Condition 4(d) and as more particularly specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable.

The Trust Deed provides that any request or direction given by the person or persons ranking in priority immediately after the Trustee will have priority over any conflicting direction given to the Trustee. Unless otherwise provided in the Constituting Instrument and/or any Additional Charging Instrument, pursuant to Condition 4(d), the person ranking in priority immediately after the Trustee will be the Swap Counterparty. Subject as provided in Conditions 4(c) and 9, however, any Swap Counterparty may direct the Trustee to enforce the security constituted by the relevant Constituting Instrument in respect of the Series.

The obligations of the Issuer under the Notes and the Receipts or Coupons (if any) appertaining thereto are, unless otherwise specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, secured by:

(i) a first fixed charge on, and/or by an assignment of and/or another security interest over, certain securities and/or agreements and/or rights (contractual or otherwise) and/or other assets (and/or the benefit, interest, right and/or title thereof, therein or thereto) (including, without limitation, as the case may be, (aa) bonds, commercial paper, notes, debentures, promissory notes, certificates of deposit, bills of exchange or other debt securities or negotiable instruments of any form, denomination, type and issuer, (bb) shares, stock or other equity securities of any form, denomination, type and issuer, (cc) the benefit of loans, evidences of indebtedness, and other rights, contractual or otherwise (including, without limitation, sub-participations, documentary or stand-by letters of credit or swap, option, exchange or other arrangements of the type contemplated in the definition of "Charged Agreement" in Condition 4(b), derivatives, commodity interests, assignments, participation, transferable loan certificates or instruments and/or any other instrument comprising, evidencing, representing and/or transferring such securities and/or agreements and/or rights (contractual or otherwise)) assigned or transferred to, or otherwise vested in, or entered into by, the Issuer as specified in the Conditions (the **"Charged Assets"**) and all rights and all sums (**"Proceeds"**) derived therefrom);

(ii) an assignment of the Issuer's rights against the Custodian with respect to the Charged Assets under the Custody Agreement and a first fixed charge on all funds in respect of the Charged Assets held from time to time by the Custodian;

(iii) a first fixed charge on all funds held from time to time by the Principal Paying Agent or, as the case may be, the Registrar to meet payments due under the Notes, the Receipts and the Coupons (if any);

(iv) an assignment of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom; and

(v) an assignment of the Issuer's rights, title and interest against the Arranger in relation to the Notes under the relevant Placing Agreement and against the seller of the Charged Assets under the relevant Charged Assets Sale Agreement.

Save as otherwise specified in the Constituting Instrument, the obligations of the Issuer under the Notes and the Receipts or Coupons (if any) appertaining thereto are also secured by an assignment of the Issuer's rights, title, benefit and interest in, to and under each Charged Agreement (as defined in Condition 4(b)). Unless otherwise provided in the Constituting Instrument, such security shall extend to the obligations of the Issuer under any Further Notes (as defined in Condition 16) (and the Receipts and Coupons (if any) appertaining thereto) issued in accordance with Condition 16 and consolidated and forming a single Series with this Series. The property and other assets described above securing the obligations of the Issuer under the Notes (and any Further Notes) and the Receipts and Coupons (if any) appertaining thereto are herein collectively referred to as the **"Collateral"**.

The Issuer's obligations to each Swap Counterparty under a Charged Agreement (as defined in Condition 4(b)) are, unless otherwise specified in the Constituting Instrument, secured as provided in the second preceding paragraph of this Condition 4(a). Unless otherwise provided in the Constituting Instrument or in the Further Constituting Instrument (as defined in Condition 16), such security in favour of a Swap Counterparty shall extend to the obligations of the Issuer under any Further Charged Agreement (as defined in Condition 16) supplemental to such Charged Agreement entered into in accordance with Condition 16.

To the extent that an obligor in respect of the Charged Assets fails to make payments to the Issuer under the relevant Charged Assets on the due date therefor, the Issuer will be unable to meet its obligations under the Charged Agreement and/or unable to meet its obligations in respect of the Notes, the Receipts, or the Coupons (if any) as and when they fall due. In

such event, and subject to Condition 4(c), the Notes will become repayable in accordance with Condition 7 and the security therefor will become enforceable in accordance with and subject to the provisions of Condition 10.

The Notes are capable of being declared immediately due and repayable prior to their stated date of maturity or other date or dates for their redemption following the occurrence of any of the events of default more particularly specified in Condition 9. Following any such occurrence, the Notes will become repayable in accordance with Condition 9 and the security therefor will become enforceable in accordance with the Master Trust Terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) and subject to the provisions of Condition 10.

On any such enforcement, the net proceeds thereof may be insufficient to pay amounts due to each Swap Counterparty under each Charged Agreement and amounts due on repayment to the Noteholders whether in accordance with the order of priority specified by the Trust Deed or at all.

(b) *Charged Agreement*

The Issuer has, unless otherwise specified in the Constituting Instrument, entered into one or more agreements which may comprise (i) any transaction which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions), in each case, as applicable, whether single-name or portfolio-based, (ii) any transaction which is a type of transaction that is similar to any transaction referred to in (i) that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value and any combination of the foregoing transactions, or (iii) any other transaction executed with a Swap Counterparty specified in a Supplement (any such agreement entered into with respect to a Series, as the same may be amended or supplemented from time to time in accordance with the provisions of the Constituting Instrument, a **"Charged Agreement"**) with a Swap Counterparty under which that Swap Counterparty may make certain payments and/or deliveries of securities or other assets to the Issuer in respect of amounts due on or deliveries in respect of the Notes and Receipts or Coupons (if any) and the Issuer may make certain payments and/or deliveries of securities or other assets to that Swap Counterparty on receipt thereof by the Issuer out of sums or deliveries received by the Issuer on the Charged Assets all as more particularly described in the Constituting Instrument. Any Charged Agreement may, subject in the case of a rated Series to the requirements of any relevant recognised debt rating agency which at any time has assigned a current rating to the Notes at the request of the Issuer (such recognised debt rating agency or any such successor or replacement thereto or therefor or alternative rating agency being herein referred to as a **"Rating Agency"**, and the terms **"rated"** and **"rating"** shall be construed accordingly), contain provisions requiring the relevant Swap Counterparty to deposit security, collateral or margin, or to provide a guarantee, in certain circumstances all as more particularly described in the Constituting Instrument. In the absence of such requirement, no such security, collateral, margin or guarantee will be made or provided. Each Charged Agreement will terminate if the Notes are redeemed pursuant to Condition 7(b), Condition 7(c) or Condition 7(d) and will be partially or wholly terminated in the event of a redemption pursuant to the paragraph headed "Alternative procedures" of Condition 1(b)(3) or Condition 7(f) or Condition 7(i), a purchase pursuant to Condition 7(g) or on an exchange pursuant to Condition 7(h). In the event of an early termination, either party to a Charged Agreement may be liable to make a termination payment to the other as provided in such Charged Agreement.

To the extent that a Swap Counterparty fails to make payments due to the Issuer under any Charged Agreement the Issuer will be unable to meet its obligations in respect of the Notes or the Receipts or Coupons (if any). In such event, the Charged Agreement will be terminated and, subject to Condition 4(c), the Notes will become repayable in accordance with Condition 7.

The Trust Deed provides that the Trustee shall not be bound or concerned to, nor will the Issuer, make any investigation into the creditworthiness of any Swap Counterparty or any guarantor thereof, the validity or enforceability of any of any Swap Counterparty's obligations under any Charged Agreement or of any guarantee of any such obligation or any of the terms of any Charged Agreement (including, without limitation, whether the cashflows from the Charged Assets, any Charged Agreement and the Notes are matched) or any such guarantee.

Further information relating to Charged Agreements is provided in "Description of Charged Agreements".

(c) *Realisation of the Collateral upon redemption pursuant to Conditions 7(e), 7(f), 7(g) or 9*

In the event of the security constituted by the relevant Trust Deed and any Additional Charging Instrument becoming enforceable as provided in Conditions 7(e), 7(f), 7(g) or 9, the Trustee shall have the right to enforce its rights under the Trust Deed and/or if applicable, any Additional Charging Instrument in relation to the Collateral and shall do so if so directed (i) in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or (ii) by an Extraordinary Resolution of the Noteholders, but in each case without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, individual Noteholders or any Swap Counterparty, provided that the Trustee shall not be required to take any action unless, at its request, it is first indemnified to its satisfaction.

If so specified in the Constituting Instrument, a Realisation Agent may be appointed in respect of a particular Series of Notes on the terms set out in the Constituting Instrument, provided that the Realisation Agent, on written notice to the Issuer and the Trustee, may resign its appointment as Realisation Agent at any time (with or without reason) and without any liability therefor, whereupon the terms and provisions in this Condition 4(c) in respect of such Realisation Agent and Series of Notes shall not apply to the Realisation Agent specified in such Constituting Instrument. The Issuer will procure that, so long as any Note remains outstanding, there shall at all times be a Realisation Agent if provision is made for the same in the related Constituting Instrument and which unless specified otherwise in the Constituting Instrument shall be the Swap Counterparty.

If the Realisation Agent is unable or unwilling to act as such the Issuer will, with the prior written consent of the Trustee and the Swap Counterparty, appoint the London office of a leading international investment bank to act as such.

In addition, if a Realisation Agent has been appointed in respect of a particular Series of Notes, and the Notes are to be redeemed (in whole or in part) under Conditions 7(e), 7(f), 7(g) or 9 and it is necessary for the Issuer to sell the Charged Assets or part thereof, the Issuer shall instruct the Realisation Agent to arrange for and administer such sale in accordance with this Condition 4(c), provided that the Realisation Agent, if it elects to act as Realisation Agent, shall not be required to take any action unless, at its request, it is first indemnified to its satisfaction by the Issuer and/or by the holder or holders of the Notes. By its purchase of any Notes, each holder thereof hereby fully and irrevocably releases the Realisation Agent and holds it harmless from any and all liability (however arising or based, in contract, tort, equity or otherwise) in respect of its actions or failures to act as Realisation Agent, except for any liability that shall have been caused by the Realisation Agent's own fraud or wilful default.

If a Realisation Agent has been appointed in respect of the Notes, the Realisation Agent shall endeavour to sell or otherwise realise the Charged Assets within a period (the **"Realisation Period"**) of not less than 30 Business Days nor more than 40 Business Days from the date on

which it receives an instruction to do so at such price as is determined in accordance with this Condition 4(c) and on such terms as the Realisation Agent determines in its sole and absolute discretion are available in the market at such time (consistent with the price obtained), less all costs and expenses, including without limitation any commissions, taxes, fees, duties or other charges applicable thereto.

In order to liquidate all or part of the Charged Assets within the Realisation Period, the Realisation Agent shall only be required to take reasonable care to ascertain a price that is available for the sale or other realisation of the Charged Assets at the time of the sale or other realisation for transactions of the kind and size concerned and the Realisation Agent shall not be required to delay the sale or other realisation for any reason including the possibility of achieving a higher price. The Realisation Agent shall sell at a price which it reasonably believes to be a fair market price. A sale price shall be deemed to be a fair market price if the Realisation Agent certifies to the Trustee that five financial institutions, funds, dealers or other persons that deal in, or enter into transactions referencing, obligations of the same type as the Charged Assets, have either refused to buy the Charged Assets in whole or offered to buy them at a price equal to or less than such sale price.

If the Realisation Agent has not been able to liquidate all or part of the Charged Assets within the Realisation Period it must sell them at its expiry, irrespective of the price obtainable and regardless if such price is close to or equal to zero. If, however, the Realisation Agent determines that there is no available market for the Charged Assets, or if the Realisation Agent otherwise determines that it is impossible to sell or otherwise realise the Charged Assets or any part thereof, the Realisation Agent will promptly notify the Issuer, the Trustee and the Swap Counterparty of such lack of availability or impossibility and the Realisation Agent shall not be required to effect the sale or other realisation of the Charged Assets or any part thereof. Any such determination by the Realisation Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, the Swap Counterparty and the Noteholders. In the event that the Realisation Agent makes such determination the Trustee at its discretion may, and shall if so requested or directed in accordance with the first paragraph of this Condition 4(c) (but subject in each case to its being indemnified in accordance with such paragraph), realise all or part of the Charged Assets by other means.

The Realisation Agent shall not be liable (i) to account for anything except the actual net proceeds of the Charged Assets received by it or (ii) for any costs, charges, losses, damages, liabilities or expenses arising from or connected with the sale or otherwise unless such costs, charges, losses, damages, liabilities or expenses shall have been caused by its own fraud or wilful default. Nor shall the Realisation Agent be liable to the Issuer, the Noteholders, the Trustee or any other person merely because a higher price could have been obtained had the sale or other realisation been delayed or to pay to the Issuer, the Noteholders, the Trustee or any other person interest on any proceeds from the sale or other realisation held by it at any time. The Realisation Agent may, notwithstanding that its interests and the interests of holders of the Notes may conflict, pursue such actions and take such steps as it deems necessary or appropriate in its sole and absolute discretion to protect its interests, without regard to whether such action or steps might have an adverse effect on the Notes, Charged Assets, or other obligations or interests of the issuers or obligors thereof or any holders of Notes.

The Trustee shall have no responsibility or liability for the performance by the Realisation Agent of its duties under this Condition 4(c) or for the price at which any of the Charged Assets may be sold or otherwise realised.

The net sums (if any) realised upon the security becoming enforceable pursuant to the Conditions may be insufficient to pay all the amounts due to each Swap Counterparty (if any) and to the Noteholders. In such event, any shortfall shall, unless otherwise specified in the Constituting Instrument, be borne by the Noteholders and by each Swap Counterparty (if any) in the order of priority described in Condition 4(d) and as more particularly specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable.

(d) *Application*

After meeting the expenses and remuneration of and any other amounts due to the Trustee, including in respect of liabilities incurred, or to any receiver appointed pursuant to the relevant Trust

Deed and/or, if applicable, any Additional Charging Instrument, in each case in respect of the Notes, and subject as provided in such Constituting Instrument and/or, if applicable, any Additional Charging Instrument, the net proceeds of the enforcement of the security constituted pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument will (unless otherwise required by law) be applied as follows:

(i) first, in meeting the claims (if any) (excluding, for the avoidance of doubt, in relation to any claim in respect of any Clean-Up Payment) of the Swap Counterparty under the Charged Agreement;

(ii) secondly, in meeting the claims (if any) of the Noteholders *pari passu* and rateably;

(iii) thirdly, in meeting the claims (if any) in respect of any Clean-Up Payment of the Swap Counterparty under the Charged Agreement; and

(iv) fourthly, in payment of the balance (if any) to the Issuer,

or any other basis of distribution provided for in the relevant Constituting Instrument.

(e) *Shortfall after application of proceeds*

If the net proceeds of the security constituted pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument for any Series of Notes, such security having been enforced under Condition 4(c), are not sufficient to make all payments due in respect of the Notes and Receipts or Coupons (if any) and for the Issuer to meet its obligations (if any) in respect of the termination of each Charged Agreement (if any) in respect of that Series, the other assets of the Issuer (including, without limitation, assets securing or otherwise attributable to any other Series of Notes) will not be available for payment of any shortfall arising therefrom. Any such shortfall will be borne, following enforcement of the security for the Notes, first by the Noteholders and then by any such Swap Counterparty, in accordance with the order of priorities on enforcement specified in Condition 4(d), unless otherwise provided in the applicable Supplement and the related Constituting Instrument and/or Additional Charging Instrument, if applicable. Claims in respect of any such shortfall remaining after realisation of the security under Condition 4(c) and application of the proceeds in accordance with the relevant Trust Deed and Condition 4(d) shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under Condition 9 in respect of the Notes or in respect of any notes of any other Series.

Pursuant to Condition 10, none of the Trustee, any Noteholder or any Swap Counterparty, shall be entitled to petition or take any other step for the winding-up of the Issuer in relation to any shortfall in respect of any Series remaining after the realisation of the security under Condition 4(c) or otherwise, nor shall any of them have any claim in respect of any unpaid sums or on any account whatsoever over or in respect of any assets of the Issuer which are or purport to be security for any other Series.

Neither the Trustee nor the Custodian is under any obligation to maintain any insurance in respect of any part of the security constituted pursuant to the relevant Trust Deed, whether against loss of such security by theft or fire, in respect of fraud or forgery or against any other risk whatsoever.

5. Restrictions

So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer has covenanted that it will not, without the prior written consent of the Trustee and each Swap Counterparty (if any):

(A) engage in any activity or do anything whatsoever except:

(i) issue or enter into or create the Notes or other series of notes (each a **"Discrete Series"**) and provided always that any such Discrete Series are issued, entered into or created on

terms that such Discrete Series is or are secured on or otherwise limited in recourse to specified assets of the Issuer (or the proceeds thereof or an amount equivalent thereto) which do not form part of the Collateral for the Notes or (unless expressly specified by the terms and conditions applicable to a Discrete Series) the assets securing, or to which recourse is otherwise limited in respect of, any other Discrete Series and on terms which provide for the extinguishment of all claims in respect of such Discrete Series after application of the proceeds of the specified assets on which such Discrete Series is or are secured or to which recourse is otherwise limited;

(ii) enter into the Agency Agreement, Custody Agreement, Trust Deed, any Charged Agreement in relation to the Notes and all other deeds and agreements of any other kind related thereto, the Management Agreement, the Pledge of Account, the Series Proposal Agreement, the Deed of Charge and the Account Agreement (the Management Agreement, Pledge of Account, Series Proposal Agreement, Deed of Charge and Account Agreement, together the **"Additional Agreements"**) and any agency agreement, custody agreement, trust deed, charged agreement relating to any Discrete Series and all other deeds or agreements of any other kind related thereto, but provided always that any such agreement or deed is entered into on terms that the obligations of the Issuer thereunder are secured on or otherwise limited in recourse to specified assets of the Issuer (other than any amounts standing to the credit of the Issuer Dutch Account from time to time) which do not form part of the Collateral for the Notes or (unless expressly specified by the terms and conditions applicable to a Discrete Series) the assets securing or to which recourse is otherwise limited in relation to, any other Discrete Series and on terms which provide for extinguishment of all claims in respect of such obligations after application of the proceeds of realisation of the specified assets on which such indebtedness or obligation is secured or to which recourse is otherwise limited;

(iii) acquire or hold, or enter into any agreement to acquire or hold or constitute, the Collateral in respect of the Notes, or the assets securing, or to which recourse is otherwise limited in respect of, any Discrete Series;

(iv) perform its obligations under the Notes, the Trust Deed, the Agency Agreement, the Custody Agreement, each Charged Agreement, the Additional Agreements and all the deeds or agreements incidental to the issue and constitution thereof or of the security therefor and under any Discrete Series and the agency agreement, custody agreement, trust deed, charged agreement and all other deeds or agreements incidental to the issue or entering into and constitution of, or the granting of security for, Discrete Series;

(v) enforce any of its rights under the Agency Agreement, the Custody Agreement, the Trust Deed, each Charged Agreement, the Additional Agreements or any other deed or agreement entered into in connection with the Notes, and under the agency agreement, the custody agreement, trust deed, each charged agreement or any other deed or agreement entered into in connection with any Discrete Series; or

(vi) perform any act incidental to or necessary in connection with the Trust Deed, Agency Agreement, Custody Agreement, each Charged Agreement or the Notes or any Discrete Series or the Additional Agreements or any other deed or agreement entered into in connection with, or including, the Notes, an Discrete Series in connection with any of the above;

(B) have any subsidiaries or employees;

(C) subject to sub-paragraph (A) above and save as have been expressly permitted by the Trust Deed, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the terms and conditions applicable to any Discrete Series);

(D) declare or pay any dividends or make any other distributions to its shareholders other than from the Issuer Dutch Account;

(E) issue or create any Discrete Series unless the trustee thereof is the same person as the Trustee for the Notes;

(F) purchase, own, lease or otherwise acquire any real property;

(G) consolidate, merge or demerge with any other person; or

(H) issue any further shares.

6. Interest

Words and expressions used in this Condition are defined (unless defined elsewhere in these Conditions) in Condition 6(j).

(a) *Interest Rate and Accrual*

Each Note (other than a Zero Coupon Note) bears interest on its Calculation Amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date. Interest shall accrue from and including one Interest Payment Date (or, as the case may be, the Interest Commencement Date) to but excluding the next following Interest Payment Date.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate and in the manner provided in this Condition 6 until the Relevant Date (as defined in Condition 7(d)(3)).

(b) *Business Day Convention*

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Relevant Business Day, then, if the business day convention specified in the Constituting Instrument is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (aa) such date shall be brought forward to the immediately preceding Relevant Business Day and (bb) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) *Interest Rate on Floating Rate Notes*

If a Note is a Floating Rate Note, the Interest Rate will be determined by reference to a Benchmark as adjusted by adding thereto or subtracting therefrom the Spread (if any) or by multiplying such rate by the Spread Multiplier (if any).

The Interest Rate payable from time to time in respect of each Floating Rate Note will be determined by the Interest Calculation Agent on the basis of the following provisions:

(1) At or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, the Interest Calculation Agent will:

(A) in the case of Floating Rate Notes where it is specified in the Constituting Instrument that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each

as specified in the Constituting Instrument), determine the Interest Rate for such Interest Period which shall, subject as provided below, be:

(i) the Relevant Rate so appearing in or on that page, section or other part of such information service (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity), or

(ii) the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the Relevant Rates of the persons at that time whose Relevant Rates so appear in or on that page, section or other part of such information service,

in any such case in respect of Euro-currency deposits in the relevant currency for a period equal to the period in question more particularly referred to in the Benchmark and as adjusted by the Spread or Spread Multiplier (if any); and

(B) in the case of Floating Rate Notes where it is specified in the Constituting Instrument that the Primary Source of Interest Rate Quotations shall be the four or more Reference Banks specified in the Constituting Instrument and in the case of Floating Rate Notes falling within Condition 6(c)(1)(A) but in respect of which no Relevant Rates appear at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service, but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal office in the Relevant Financial Centre of each of the Reference Banks (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 6(h)) to provide the Interest Calculation Agent with its Relevant Rate quoted to leading banks for Euro-currency deposits in the relevant currency for a period equivalent to the duration of such Interest Period. Where this Condition 6(c)(1)(B) shall apply, the Interest Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such Relevant Rates as calculated by the Interest Calculation Agent as adjusted by the Spread or Spread Multiplier (if any).

(2) If at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to Condition 6(c)(1)(B) in respect of a Floating Rate Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate for the relevant Interest Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.

(3) If at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to Condition 6(c)(1)(B) in respect of a Floating Rate Note, only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate for the relevant Interest Period shall be the rate per annum (expressed as a percentage) which the Interest Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the Relevant Rates in respect of the relevant currency which banks in the Relevant Financial Centre of the country of such currency selected by the Interest Calculation Agent (after consultation with the Trustee) are quoting at or about the Relevant Time (in such Relevant Financial Centre) on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre, as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Interest Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate in effect for the last preceding Interest Period to which Condition 6(c)(1)(A) or 6(c)(1)(B) or 6(c)(2) (as the case may be) shall have applied.

(d) *Interest Rate on Zero Coupon Notes*

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date (as defined in Condition 7(a)) shall be the **"Amortised Face Amount"** of such Note as determined in accordance with Condition 7(d)(3). As from the Maturity Date or other date for redemption, any overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the **"Amortisation Yield"** specified in the Constituting Instrument (as well after as before judgment) to the Relevant Date (as defined in Condition 7(d)(3)).

(e) *Minimum/Maximum Rates*

If a Minimum Interest Rate is specified in the Constituting Instrument, then the Interest Rate shall in no event be less than it and if there is so specified a Maximum Interest Rate, then the Interest Rate shall in no event exceed it.

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

The Interest Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate and calculate the Interest Amounts for the relevant Interest Period. The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction specified in the Constituting Instrument, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount. The determination of the Interest Rate and the calculation of the Interest Amounts by the Interest Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

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

The Interest Calculation Agent will cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee, the Issuer, the Principal Paying Agent, or, in the case of Registered Notes, the Registrar, and each of the Paying Agents and, for as long as the Notes are Listed Notes (as defined below) and the rules of the relevant stock exchange or competent authority so require, any stock exchange or competent authority on or by which the Notes are listed or traded and to be notified to Noteholders in accordance with Condition 14 as soon as possible after their determination but in no event later than the fifth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate in respect of the Notes shall nevertheless continue to be calculated and determined as previously in accordance with this Condition 6 but no publication of the Interest Rate or the Interest Amount so determined and calculated need be made.

As used in these Conditions, **"Listed Notes"** means Notes which are listed on any stock exchange.

(h) *Interest Calculation Agent and Reference Banks*

The Issuer will procure that, so long as any Note remains outstanding, there shall at all times be at least four Reference Banks with offices in the Relevant Financial Centre and an Interest Calculation Agent if provision is made for them in the Constituting Instrument. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Interest Calculation Agent is unable or unwilling to act as such, the Issuer will, with the prior written consent of the Trustee, appoint the London office of a leading bank engaged in the London interbank market to act as such in its place and its determination shall be final and binding on the parties. The Interest Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(i) *Determination or calculation by Trustee*

If the Interest Calculation Agent does not at any time for any reason so determine the Interest Rate and calculate the Interest Amounts for an Interest Period (as provided in Condition 6(f)), the Trustee shall do so (but without any liability for doing so). In doing so, the Trustee shall apply the provisions of Condition 6(f), with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Interest Calculation Agent.

(j) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meaning set out below:

"Benchmark" means LIBOR, LIBID, LIMEAN, EURIBOR or such other benchmark as may be specified as the Benchmark in the Constituting Instrument.

"Calculation Amount" means the amount specified as such in the Constituting Instrument, or if no such amount is so specified, the principal amount of any Note as shown on the face thereof.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the **"Calculation Period"**):

(i) if **"Actual/365"** or **"Actual/Actual"** is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if **"Actual/Actual ISMA"** is specified, the actual number of days in the Calculation Period divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the actual number of days in the Calculation Period or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the Calculation Period and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be calculated in respect of the whole of that year;

(iii) if **"Actual/365(Fixed)"** is specified, the actual number of days in the Calculation Period divided by 365;

(v) if **"Actual/360"** is specified, the actual number of days in the Calculation Period divided by 360;

(v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if **"30E/360"** or **"Eurobond Basis"** is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date (as defined in Condition 7(a)) is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

"Interest Amount" means the amount of interest payable in respect of each Authorised Denomination for the relevant Interest Period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified as the Interest Commencement Date in the Constituting Instrument.

"Interest Determination Date" means, in respect of any Interest Period, the date specified as the Interest Determination Date in the Constituting Instrument, or, if none is so specified, the day falling two Relevant Business Days prior to the commencement thereof.

"Interest Payment Date" means the date or dates specified as the date(s) for the payment of interest in the Constituting Instrument and on the face of any definitive Note.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Rate" means the rate of interest payable from time to time in respect of a Note (subject to Condition 6(e)) and which is either specified in, or calculated in accordance with the provisions of, the Constituting Instrument.

"Issue Date" means, in the case of the issue of a Note or Notes of a Series, the date of issue of such Note or Notes as specified in the Constituting Instrument.

"Redemption Amount" means, in relation to any Note, as the context may require, the Scheduled Redemption Amount, Early Redemption Amount, Noteholder Optional Redemption Amount or Issuer Optional Redemption Amount;

"Reference Banks" means the institutions specified as Reference Banks in the Constituting Instrument.

"Relevant Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the Relevant Financial Centre and (in the case of Notes denominated in Euro) a day on which the Trans-European-Automated Real-time Gross settlement Express Transfer (TARGET) system or its successor in business (the **"TARGET System"**) is open.

"Relevant Financial Centre" means London (if the relevant Benchmark is LIBOR, LIMEAN or LIBID) or Brussels (if the relevant Benchmark is EURIBOR) or (in the case of Notes, the Interest Rate in respect of which is to be calculated by reference to some other Benchmark) the financial centre specified in the Constituting Instrument, or, if no such centre is so specified, the financial centre determined by the Interest Calculation Agent to be appropriate to such Benchmark.

"Relevant Rate" means:

(1) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;

(2) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and

(3) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

"Relevant Time" means the local time in the Relevant Financial Centre at which the Interest Calculation Agent determines that it is customary to determine bid and offered rates in respect of Euro-currency deposits in the currency in question in the interbank market in that Relevant Financial Centre.

"Spread" means the percentage rate per annum specified in the Constituting Instrument as being applicable to a Note.

"Spread Multiplier" means the percentage specified in the Constituting Instrument as being applicable to the interest rate for a Note.

7. Redemption, Purchase and Exchange

(a) *Final redemption*

Unless previously redeemed or purchased and cancelled as provided below, each Note (other than an Interest Only Note) will be redeemed at its Scheduled Redemption Amount (as defined in Condition 7(e)(1)) on the date specified as the Maturity Date in the Constituting Instrument (the **"Maturity Date"**). Unless otherwise stated in the Constituting Instrument, no Scheduled Redemption Amount will be payable on an Interest Only Note.

(b) *Mandatory redemption*

If :

(1) (a) any of the Charged Assets in respect of a Series or any amounts outstanding thereunder become due and repayable, (in whole or in part), prior to their stated date of maturity or other date or dates for their payment or repayment or (b) any obligor in respect of the Charged Assets fails to make, when and where due, in the currency and manner due, any payment of any amount under the Charged Assets without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Charged Assets (as provided for in the terms and conditions of the Charged Assets as at the date such Charged Assets become a Charged Asset); or

(2) the Charged Assets comprise any agreement of the type contemplated in the definition herein of Charged Agreement and such agreement is terminated by any party thereto, in each case whether or not by reason of an event of default (howsoever described) thereunder or there is a payment default in respect of such agreement without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such agreement; or

(3) any other event as may be specified as an **"Additional Mandatory Redemption Event"** in the Constituting Instrument has occurred,

then the Issuer or the Swap Counterparty (if any) shall promptly, upon becoming aware of any such event or circumstance give notice thereof to the Trustee and the Swap Counterparty (if any) or the Issuer (as the case may be) and the Notes shall become due and repayable as provided by Condition 7(e). The Issuer shall give notice to the Noteholders in accordance with Condition 14 that the Notes will become due and repayable in accordance with Condition 7(e) as soon as reasonably practicable after becoming aware of the relevant event or circumstance.

(c) *Redemption on termination of Charged Agreement*

If any Charged Agreement is terminated (in whole but not in part and other than in consequence of Condition 7(g) or Condition 7(h) or in connection with a redemption of Notes pursuant to Condition 7(b), Condition 7(f) or Condition 9 or save where the Conditions provide otherwise) for any reason, then the Issuer or the Swap Counterparty (as the case may be) shall promptly give notice to the Trustee and the Swap Counterparty or the Issuer (as the case may be) and the Notes shall become due and repayable as provided by Condition 7(e). The Issuer shall give notice to the Noteholders in accordance with Condition 14 that the Notes will become due and repayable in accordance with Condition 7(e) as soon as reasonably practicable after becoming aware of such event or circumstance.

(d) *Early redemption of Zero Coupon Notes*

The provisions of this Condition 7(d) shall apply to any Note in respect of which the Amortisation Yield and Day Count Fraction are specified in the Constituting Instrument.

(1) The amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(b), Condition 7(c) or, if applicable, Condition 7(f) or upon its becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note. References in these Conditions to **"principal"** or **"Early Redemption Amount"** or **"Issuer Optional Redemption Amount"** or **"Noteholder Optional Redemption Amount"** in the case of Zero Coupon Notes shall be deemed to include references to **"Amortised Face Amount"** where the context permits.

(2) Subject to the provisions of Condition 7(d)(3) below, the Amortised Face Amount of any Zero Coupon Note shall be the Scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the Constituting Instrument compounded annually. Where such calculation is made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the Constituting Instrument.

(3) If the amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(b), Condition 7(c) or, if applicable, Condition 7(f) or upon its becoming due and payable as provided in Condition 9 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with Condition 7(d)(2), except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the date (the **"Relevant Date"**) which is the earlier of:

(A) the date on which all amounts due in respect of the Note have been paid; and

(B) the date on which the full amount of the moneys payable has been received by the Trustee or the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, and notice to that effect has been given to holders in accordance with the provisions of Condition 14.

The calculation of the Amortised Face Amount will continue to be made (as well after as before judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 6(d).

(e) *Redemption amount of Notes*

(1) The amount payable upon redemption of each Note (other than an Interest Only Note) on the Maturity Date in accordance with Condition 7(a) (the **"Scheduled Redemption Amount"**) shall be specified in the applicable Constituting Instrument.

(2) Subject as provided by Condition 7(d) and unless the Constituting Instrument provides otherwise, the amount payable upon redemption of each Note pursuant to the paragraph headed "Alternative procedures" of Condition 1(b)(3) or Condition 7(b) or Condition 7(c) or Condition 7(k) or upon its becoming due and payable as provided in Condition 9 shall be the amount determined by the Trustee or, where applicable, the Determination Agent to be the amount available for redemption of such Note by applying the portion available to the Noteholders pursuant to Condition 4(d) (or as it may be amended or replaced by the Constituting Instrument) of the net proceeds of enforcement of the security in accordance with Condition 4 *pari passu* and rateably to the Notes (such amount being the **"Early Redemption Amount"**). No interest shall be payable in addition to the Early Redemption Amount except interest which was due and payable prior to the Early Redemption Date (as defined below). Unless otherwise set out in the Constituting Instrument, no Early Redemption Amount shall be payable in respect of an Interest Only Note.

(3) Unless the Constituting Instrument provides otherwise, upon the date on which the Issuer gives notice to the Noteholders (or relevant Noteholders, as the case may be) that the Notes (or part thereof, as the case may be) will become due and repayable pursuant to the paragraph headed "Alternative procedures" of Condition 1(b)(3) or Condition 7(b) or Condition 7(c) or Condition 7(k), the security constituted by the relevant Constituting Instrument shall become enforceable (in the case of any redemption under Condition 1(b)(3) or Condition 7(k) to the extent applicable to the portion of the Notes to be redeemed) and the provisions of Condition 4(a) and Condition 4(c) shall thereafter apply. Upon receipt of the proceeds (if any) of realisation of the Collateral (or part thereof, as the case may be) following such enforcement, the Trustee shall give notice to the Noteholders (or relevant Noteholders, as the case may be) in accordance with Condition 14 of the date on which each relevant Note shall be redeemed at its Early Redemption Amount (the **"Early Redemption Date"**).

(4) The Constituting Instrument shall, where appropriate, specify the name of the Determination Agent appointed to determine the Early Redemption Amount. The Issuer will procure that, so long as any Note remains outstanding, there shall at all times be a Determination Agent if provision is made for the same in the Constituting Instrument.

The Determination Agent will, on such date as the Determination Agent may be required to calculate any Early Redemption Amount, if required to be calculated, cause such Early Redemption Amount to be notified to the Trustee, the Principal Paying Agent, or, in the case of Registered Notes, the Registrar, and each of the Paying Agents and to be notified to Noteholders in accordance with Condition 14 as soon as possible after its calculation but in no event later than the first Relevant Business Day thereafter. Any calculation of the Early Redemption Amount (whether by the Determination Agent or the Trustee) shall (in the absence of manifest error) be final and binding upon all parties.

If the Determination Agent is unable or unwilling to act as such, the Issuer will, with the prior written consent of the Trustee, appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Determination Agent may not resign its duties without a successor having been appointed as aforesaid.

(5) If any Maximum or Minimum Redemption Amount is specified in the Constituting Instrument, then the Early Redemption Amount shall in no event exceed the maximum or, subject as provided in Condition 7(e)(2) and Condition 10, be less than the minimum so specified.

(6) The Issuer may, if so specified in the applicable Constituting Instrument that this Condition 7(e)(6) applies and if the Constituting Instrument specifies the name of a Determination Agent, elect to satisfy its obligations to the Noteholders to pay the Scheduled Redemption Amount or any Early Redemption Amount or any Noteholder Optional Redemption Amount (as defined in Condition 7(f)(1)) or any Issuer Optional Redemption Amount (as defined in Condition 7(f)(2)) in respect of each Note by delivery to the relevant Noteholder of the Attributable Charged Assets (as defined below).

In such case, the Issuer will procure that the Custodian will, subject to receipt by it of a confirmation from the Principal Paying Agent or Registrar (as relevant) of any termination payment payable to or by the Issuer from or to each Swap Counterparty (if any) on termination of the Charged Agreement (if any) subject to the terms and conditions of the Charged Assets and to all applicable laws, regulations and directives and to payment by the relevant Noteholder(s) of any costs and expenses (including stamp duty or other tax) involved, deliver the Attributable Charged Assets, or shall procure that the Attributable Charged Assets are delivered, to each relevant Noteholder (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery) on the date specified in the applicable Constituting Instrument (the **"Delivery Date"**).

In order to receive delivery of the relevant amount of Attributable Charged Assets, each Noteholder shall, on or prior to the Delivery Date, supply to the Custodian such evidence of

the aggregate principal amount of the Notes held by such Noteholder as the Custodian may require. The following shall constitute evidence satisfactory to the Custodian:

(i) if the Notes are in definitive form, all unmatured Coupons appertaining to such Note(s) (or an indemnity from each Noteholder in respect of any unmatured Coupons not so surrendered as the Issuer may require); or

(ii) in the case of Notes in global form, a certificate or other document issued by Euroclear or Clearstream, Luxembourg or the Alternative Clearing System as to the principal amount of the Notes standing to the credit of the account of the Noteholder in question and confirming that such Noteholder has undertaken to Euroclear or Clearstream, Luxembourg or the Alternative Clearing System expressly for the benefit of the Issuer that it will not sell, transfer or otherwise dispose of its Notes (or any of them) or any interest therein at any time on or prior to the Delivery Date,

together with, in either case, confirmation from the Principal Paying Agent or the Paying Agent or the Registrar (as relevant) that the Noteholder has surrendered to it the relevant Notes.

On receipt of such evidence by the Custodian, the relevant amount of Attributable Charged Assets shall (subject as aforesaid) be delivered to such Noteholder or to such account with Euroclear or Clearstream, Luxembourg or the Alternative Clearing System as will be specified in the delivery instructions given in the manner set out below. Any stamp duty or other tax and any other costs and expenses payable in respect of the transfer of such Attributable Charged Assets shall be the responsibility of, and payable by, the relevant Noteholder.

A holder of Notes in definitive form, at the same time as surrendering such Notes together with, if applicable, all unmatured Coupons appertaining thereto, to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), shall specify to the Principal Paying Agent or the Registrar (as applicable) its instructions concerning the delivery to it, or any nominee of it, of the relevant amount of Attributable Charged Assets to which it is entitled and the Principal Paying Agent or Registrar (as applicable) shall forthwith notify the Custodian and each Swap Counterparty (if any) of such instructions.

A holder of Notes in global form shall notify the Custodian of its instructions concerning the delivery to it, or any nominee of it, of the relevant amount of Attributable Charged Assets to which it is entitled, which instructions will, for the avoidance of doubt, be included in any notice given to the Custodian by Euroclear or Clearstream, Luxembourg in accordance with the provisions above and the Custodian shall forthwith notify the Counterparty of such instructions.

As used herein **"Attributable Charged Assets"** shall be the proportion of Charged Assets (rounded to the nearest whole number) as equals the proportion which each Noteholder's holding of Notes bears to the total principal amount outstanding of the Notes as calculated by the Determination Agent in the manner and on the date specified in the applicable Supplement. If the amount of Attributable Charged Assets to be delivered to a Noteholder is not divisible by the minimum denomination of such Charged Assets, the amount of Attributable Charged Assets to be delivered to such Noteholder shall be rounded down to the nearest whole multiple of such minimum denomination. Any determination of the Attributable Charged Assets to which a Noteholder is entitled by the Custodian shall be final and binding on all parties.

The net sums (if any) realised upon the security becoming enforceable on the early redemption of the Notes pursuant to the Conditions (including Condition 7(b) and 7(c) above) may be insufficient to pay all the amounts due to each Swap Counterparty (if any) and to pay to the Noteholders amounts equal to the Scheduled Redemption Amount and the

interest which would otherwise accrue to the date of redemption. In such event, any shortfall shall be borne by the Noteholders and by each Swap Counterparty (if any) and any other persons entitled to the benefit of the security pursuant to the Constituting Instrument in the inverse of the order of priority specified in the Constituting Instrument, and the Early Redemption Amount will reflect such shortfall in the case of the Noteholders. None of the Trustee, the holder of the issued share capital of the Issuer, the Managing Director, any Swap Counterparty, the Arranger or any other person has any obligation to any Noteholders for payment of any amount by the Issuer in respect of the Notes or Receipts or Coupons (if any).

(f) *Redemption at the option of the Noteholders or the Issuer*

(1) Noteholder option

If this Condition 7(f)(1) is stated by the Constituting Instrument to be applicable, the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any Note, redeem such Note on the date or dates specified for such purpose in the Constituting Instrument at its Scheduled Redemption Amount or such other amount as may be specified in the Constituting Instrument, or the amount calculated on the basis specified in Constituting Instrument (as the case may be) as being the applicable redemption amount or the applicable basis of determining the redemption amount pursuant to this Condition 7(f)(1) (such amount being the **"Noteholder Optional Redemption Amount"**), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption (**"Redemption Notice"**) in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the Registrar or any Transfer Agent (in the case of Registered Notes) not more than 60 nor less than 30 days prior to the relevant date for redemption and provided that, in the case of any Note represented by a Global Note or a Global Registered Certificate registered in the name of a nominee for Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, the Noteholder must deliver such Redemption Notice together with an authority to Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System (in each case, as appropriate) to debit such Noteholder's account accordingly and provided that, in the case of any Note represented by a Global Registered Certificate registered in the name of any other person, the Noteholder must deliver such Redemption Notice together with an instruction to such person to amend its records accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

(2) Issuer option

If this Condition 7(f)(2) is stated by the Constituting Instrument to be applicable, the Issuer may, on giving not more than 60 nor less than 30 days' notice to the Trustee and the Noteholders in accordance with Condition 14, and subject to compliance with all relevant laws, regulations and directives, at the option of the Issuer, redeem all or some of the Notes in the manner and on the date or dates specified in the Constituting Instrument at their Scheduled Redemption Amount or such other amount as may be specified in the Constituting Instrument, or the amount calculated on the basis specified in the Constituting Instrument (as the case may be) as being the applicable redemption amount or the applicable basis of determining the redemption amount pursuant to this Condition 7(f)(2) (such amount being the **"Issuer Optional Redemption Amount"**), together with interest accrued to the date fixed for redemption.

Notice given by the Issuer to redeem Note(s) pursuant to this Condition 7(f)(2) may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition 7(f)(2) and the Constituting Instrument.

In the case of a partial redemption of Notes (if permitted as specified in the Constituting Instrument):

(A) when the Notes are in definitive form, if a partial redemption is specified in the Constituting Instrument to be effected by selection of whole Notes, the Notes to be redeemed will be selected in the manner indicated in the Constituting Instrument and notice of the Notes called for redemption will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption, or, if a partial redemption of Notes is specified in the Constituting Instrument to be effected by *pro rata* payment, the outstanding principal amount of each Note shall be redeemed in a proportion equal to the proportion which the outstanding principal amount of such Note bears to the aggregate outstanding principal amount of all the Notes at such time; and

(B) when the Notes are represented by a Global Note or a Global Registered Certificate, if a partial redemption is specified in the Constituting Instrument to be effected by selection of whole Notes, the Notes to be redeemed will be selected in accordance with the rules of Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System (in each case, as appropriate) or (in any case where a Global Registered Certificate is registered in the name of a person other than a nominee for Euroclear or Clearstream, Luxembourg or an Alternative Clearing System) in accordance with the rules and procedures established from time to time by such person or, if a partial redemption of Notes is specified in the Constituting Instrument to be effected by *pro rata* payment, each Note shall be redeemed in a proportion equal to the proportion which the outstanding principal amount of such Note bears to the aggregate outstanding principal amount of all the Notes at such time.

(3) Consequence of exercise of options

As soon as reasonably practicable after the exercise of an option pursuant to this Condition 7(f), the Issuer shall instruct the Realisation Agent to arrange for and administer the sale of the Charged Assets or such part thereof as corresponds to the Notes to be redeemed in accordance with Condition 4(c).

(g) *Purchase*

Unless otherwise provided in the Constituting Instrument, the Issuer may, with the consent of each Swap Counterparty (if any), purchase Notes in the open market or otherwise at any price (provided, in the case of definitive Bearer Notes, that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith). All Notes so purchased and any unmatured Receipts and Coupons and unexchanged Talons appertaining thereto attached to or surrendered with Bearer Notes may, if so specified in the Constituting Instrument, at the option of the Issuer or at the direction of the Swap Counterparty if so specified in the Constituting Instrument, be held by it (and subsequently re-issued or re-sold) or may be cancelled, in which latter case they may not be re-issued or re-sold. On any such purchase of such Notes by the Issuer, there will be a *pro rata* reduction in payments under the Charged Agreement (if any) and, so far as the denominations of the Charged Assets being realised or disposed of will allow, in the aggregate amount of the Charged Assets held by the Issuer, which transactions will leave the Issuer with no net liabilities in respect thereof; provided that any selection of individual assets comprised in the Charged Assets to be realised or disposed of shall be made at the discretion of the Issuer or at the direction of the Swap Counterparty if so specified in the Constituting Instrument. On any subsequent re-sale or re-issue of such Notes which the Issuer has not cancelled, either (i) there will be a *pro rata* increase in payments under the Charged Agreement (if any) and in the amount of the Charged Assets or (ii) a new Charged Agreement will be entered into and new Charged Assets will be acquired by the Issuer.

No interest will be payable with respect to a Note to be purchased pursuant to this Condition 7(g) in respect of the period from the previous date for the payment of interest on the Note, or, if none, the Issue Date to the date of such purchase.

If not all the Notes represented by a Registered Certificate are to be purchased, the Registrar shall forthwith upon the written request of the Noteholder concerned issue a new Registered Certificate in respect of the Notes which are not to be purchased and despatch such Registered Certificate to the Noteholder (at the risk of the Noteholder and to such address as the Noteholder may specify in such request).

When, in connection with the application of this Condition 7(g), it is necessary for the Issuer to sell the Charged Assets or any part thereof in the market, the Issuer shall instruct the Realisation Agent to arrange for and administer such sale in accordance with Condition 4(c).

The Trust Deed contains provisions for the release from the security in favour of the Trustee of the relevant Charged Assets (or part thereof) which correspond to the Series of Notes (or part thereof) to be redeemed by the Issuer pursuant to Condition 7(f) or purchased by the Issuer pursuant to Condition 7(g).

Whilst the Notes are represented by a Global Note or a Global Registered Certificate, the relevant Global Note or Global Registered Certificate will be endorsed to reflect the principal amount of Notes so redeemed or purchased.

(h) *Exchange of Series*

The Noteholders of a Series may together by notice in writing delivered to the Issuer (and copied to the Trustee), with the consent of each Swap Counterparty (if any) and subject to and in accordance with the provisions of the Constituting Instrument, request the Issuer to issue a further Series of Notes (the **"New Series"**) in exchange for that existing Series of Notes (the **"Existing Series"**) on such terms as may be specified in the Constituting Instrument or specified or approved by all such Noteholders. Any Charged Agreement in respect of such Existing Series so exchanged will be terminated and the security for the New Series will be that constituted by the Constituting Instrument in relation to the Existing Series (other than a security interest in respect of any Charged Agreement so terminated) (except that the security for the New Series may be postponed in point of priority to any other security over the assets securing the Existing Series which may have attached to such assets since the creation of the security for the Existing Series) and, if appropriate, over a further Charged Agreement to be entered into in connection with the New Series, all in accordance with the terms of the Constituting Instrument and as previously approved in writing by the Trustee provided that if the Existing Series is rated by any Rating Agency at the request of the Issuer, it may only be exchanged for a New Series if each such Rating Agency shall have confirmed that it will assign the New Series the same rating as that assigned by such Rating Agency to the Existing Series (unless the relevant Rating Agency shall have waived such requirement or the rules of the relevant Rating Agency at the date of such exchange do not so require such similar rating).

If the Existing Series comprises Listed Notes and if it is intended that the New Series be Listed Notes, the Issuer shall notify the relevant stock exchange and any relevant competent authority and produce such Supplement and produce such information as the rules of such stock exchange or competent authority may require in connection therewith.

If the Noteholders of a Series elect, pursuant to Condition 7(h), to exchange such Series for a New Series, upon termination of any Charged Agreement in respect of the Existing Series so exchanged, a shortfall may be suffered by the Noteholders.

(i) *Redemption by instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note which provides for **"Instalment Dates"** and **"Instalment Amounts"** will be partially redeemed on each Instalment Date at the specified Instalment Amount, whereupon the outstanding principal amount of such Note and its Scheduled Redemption Amount (unless specified otherwise in the Constituting Instrument) shall be reduced for all purposes by the Instalment Amount. If the Constituting Instrument requires the Instalment Amounts to be calculated, it will specify the Determination Agent appointed to determine such Instalment Amounts and the provisions of

Condition 7(e) in relation to the calculation of Redemption Amounts shall apply *mutatis mutandis* in relation to the calculation of Instalment Amounts.

(j) *Cancellation*

All Notes of any Series which are redeemed (together, in the case of Bearer Notes, with such unmatured Receipts, Coupons and Talons as are attached thereto or are surrendered therewith at the time of such redemption) and all Receipts and Coupons which are paid and Talons which are exchanged shall, unless otherwise permitted by these Conditions or the Constituting Instrument, be cancelled forthwith by the Paying Agent or the Registrar or Transfer Agent, as the case may be, by or through which they are redeemed or paid. Each Paying Agent shall give all relevant details and forward cancelled Notes, Receipts, Coupons and Talons to the Principal Paying Agent or its designated agent. All Notes which are purchased by the Issuer pursuant to Condition 7(g) (together, in the case of Bearer Notes, with such unmatured Receipts, Coupons and Talons as are attached thereto or are surrendered therewith at the time of such purchase) and all Receipts and Coupons which are paid and Talons which are exchanged shall, unless otherwise permitted by the Conditions, be delivered to, and cancelled forthwith by, the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or the Registrar or Transfer Agent (in the case of Registered Notes), as the case may be.

Each Transfer Agent shall give all relevant details and forward cancelled Notes to the Registrar or its designated agent.

(k) *PMP Redemption Event*

If at any time the Issuer or the Swap Counterparty determines that it has a reasonable belief that a Noteholder or a holder of any interest in a Note is not a Professional Market Party, it shall give notice thereof to the Swap Counterparty or the Issuer, as the case may be, whereupon the Issuer may deliver to such Noteholder or such holder of any interest in a Note a written notice (the "**PMP Notice**") requiring such Noteholder or holder of any interest in a Note to sell and/or transfer any Note or Notes (or any interest therein) held by it to a Professional Market Party.

If a Noteholder or holder of any interest so notified (the "**Non PMP Holder**") does not sell or transfer the relevant Note or Notes (such Notes, the "**Non PMP Notes**") to a Professional Market Party to the satisfaction of the Issuer (in its sole discretion) within ten Business Days of the delivery of such PMP Notice by the Issuer, then, except as provided below, the Issuer shall give notice to the Non PMP Holder that the Non PMP Notes shall become due and repayable in accordance with Condition 7(e) and the Issuer shall redeem the Non PMP Notes on the relevant Early Redemption Date (a "**PMP Redemption Event**") at a redemption price per Note equal to the Early Redemption Amount in accordance with Condition 7(e).

Notwithstanding the other provisions of this Condition 7(k), if, within five Business Days of the delivery of the PMP Notice by the Issuer, the Non PMP Holder produces a validly signed opinion of qualified, reputable Dutch counsel addressed to the Issuer and the Swap Counterparty that opines without reservation that the Non PMP Holder is a Professional Market Party, the other provisions of this Condition 7(k) shall not apply in respect of that Non PMP Holder.

For these purposes, "**Professional Market Party**" shall have the meaning given to such term in section 1, paragraph E, of the Dutch ministerial regulation of 26 June 2002, as amended from time to time, implementing, inter alia, section 6, paragraph 2 of the Dutch 1992 Act of the Supervision of the Credit System (Wet toezicht kredietwezen 1992), as amended from time to time.

The Trustee and the Arranger shall not be liable to any Noteholder, the Swap Counterparty or any other person for any loss arising from the operation of this Condition 7(k).

8. Payments

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes (other than Dual Currency Notes) will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than payment of the last Instalment Amount and provided that each Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(e)(6)) or Coupons (in the case of interest, save as specified in Condition 8(e)(6)) at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the currency in which such payment is due, or (in the case of Notes in definitive form) a cheque payable in that currency drawn on a bank in the principal financial centre of that currency (or, in the case of Notes denominated in Euro, such financial centre in a participating Member State as the Issuer may reasonably determine; provided that if the Notes are denominated in Yen, such payments will be made by a Yen cheque drawn on, or, at the option of the holders, by transfer to a Yen account (in the case of payment to a non-resident of Japan, to a non-resident Yen account) maintained by the payee with, a bank in Tokyo. To the extent that a Bearer Note is not presented and surrendered at least three Business Days prior to the Maturity Date or other date for redemption (as the case may be) none of the Issuer, the Trustee, the Principal Paying Agent, the Interest Calculation Agent, each Swap Counterparty (if any), the Determination Agent (if any), the Custodian or any other person shall be liable in respect of any delay in the payment of the relevant redemption moneys to Noteholders as a consequence thereof.

No payments of principal, interest or other amounts due in respect of Bearer Notes (or the related Coupons, Talons or Receipts) will be made by mail to an address in the United States or by transfer to an account maintained by the Holder in the United States.

(b) *Registered Notes*

(1) Payments of principal (which, for the purposes of this Condition 8(b), shall include the final Instalment Amount but not other Instalment Amounts) in respect of Registered Notes (other than Dual Notes) will be made to the person shown on the register against presentation and surrender of the relevant Registered Certificate at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 8(a). To the extent that a Noteholder does not present (and, if applicable, surrender) the relevant Registered Certificate at least three Business Days prior to the Maturity Date or other date for redemption (as the case may be) none of the Issuer, the Trustee, the Registrar, the Principal Paying Agent, the Interest Calculation Agent, each Swap Counterparty (if any), the Determination Agent (if any), the Custodian or any other person shall be liable in respect of any delay in the payment of the relevant redemption moneys to such Noteholder as a consequence thereof.

(2) Interest (which, for the purposes of this Condition 8(b), shall include all Instalment Amounts other than the final Instalment Amount) on Registered Notes payable on any Interest Payment Date or, as the case may be, any Instalment Date will be paid to the persons shown on the Register on the fifteenth day before the due date for payment thereof (the **"Record Date"**). Payment of interest on each Registered Note (other than a Dual Currency Note) will be made in the currency in which such Notes are denominated by cheque drawn on a bank in the principal financial centre of the country of the currency concerned (or, in the case of Notes denominated in Euro, such financial centre in a participating Member State as the Issuer may reasonably determine) and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(3) Payments in Yen in respect of Registered Notes will be made in the manner specified in Condition 8(a).

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

(1) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;

(2) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and

(3) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(d) *Payments subject to fiscal laws; payments on Global Notes and Global Registered Certificates*

(1) All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(2) Payments of principal and interest in respect of Bearer Notes when represented by a Global Note and payments of principal in respect of Registered Notes when represented by a Global Registered Certificate will be made against presentation and surrender or, as the case may be, presentation of the Global Note or Global Registered Certificate at the specified office of the Principal Paying Agent or, as the case may be, the Registrar, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Issuer, the Principal Paying Agent or, as the case may be, the Registrar or the bearer or registered owner of the Global Note or Global Registered Certificate or any person (so long as the Global Note or Global Registered Certificate is held on behalf of Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System) shown in the records of Euroclear, Clearstream, Luxembourg or DTC (other than each Clearing System to the extent that it is an account holder with the other Clearing System for the purpose of operating the "bridge" between the Clearing Systems) or such Alternative Clearing System as the holder of a particular principal amount of the Notes. A record of each payment so made will be endorsed on the relevant schedule to the Global Note or Global Registered Certificate by or on behalf of the Principal Paying Agent or, as the case may be, the Registrar which endorsement shall be *prima facie* evidence that such payment has been made.

(3) The bearer of a Global Note or the registered owner of a Global Registered Certificate shall be the only person entitled to receive payments of principal and interest on the Global Note or Global Registered Certificate and the Issuer will be discharged by payment to the bearer or registered owner of such Global Note or Global Registered Certificate in respect of each amount paid. So long as the relevant Global Note or Global Registered Certificate is held by or on behalf of Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System, each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System as the holder of a Note must look solely to Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System, as the case may be, for its share of each payment so made by the Issuer to the bearer or registered owner of the Global Note or Global Registered Certificate subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System, as the case may be. So long as the relevant Global Registered Certificate is registered in the name of a person other than a nominee for Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System, each of the persons shown in the records of such person as the holder of a Note must look solely to such person for its share of each payment so made by the Issuer to such person, subject to the rules and procedures established from time to time by such person. No

person other than the bearer of the Global Note or the registered owner of the Global Registered Certificate shall have any entitlement to payments due by the Issuer on the Notes.

(e) *Unmatured Receipts and Coupons and unexchanged Talons*

(1) Fixed Rate Notes which are Bearer Notes, other than Notes which are specified in the Constituting Instrument to be Long Maturity Notes (being Fixed Rate Notes whose principal amount is less than the aggregate interest payable thereon on the relevant dates for payment of interest under Condition 6(a)) or Variable Coupon Amount Notes, shall be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 7(d)(3)) for the payment of such Redemption Amount (whether or not such Coupon has become void pursuant to Condition 11).

(2) Subject to the provisions of the Constituting Instrument, upon the due date for redemption of any Floating Rate Note, Long Maturity Note or Variable Coupon Amount Note which is a Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(3) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(4) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(5) Where any Floating Rate Note, Long Maturity Note or Variable Coupon Amount Note which is a Bearer Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(6) If the due date for redemption of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Registered Note from its Maturity Date in respect of which the Registered Certificate has been presented for payment of principal shall, save as otherwise provided in the Conditions, be paid in accordance with Condition 8(b). Interest accrued on a Zero Coupon Note from its Maturity Date shall be payable on redemption of such Zero Coupon Note against presentation thereof.

(f) *Non-business days*

Subject as provided in the Constituting Instrument, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, **"business day"** means a day on which banks are open for general business and carrying out transactions in the relevant currency in the relevant place of presentation and in the place where payment is to be made and in the cities referred to in the definition of Business Days set out in the applicable Constituting Instrument.

(g) *Dual Currency Notes*

The Constituting Instrument in respect of each Series of Dual Currency Notes shall specify the currency in which each payment in respect of the relevant Notes shall be made, the terms relating to any option relating to the currency in which any payment is to be made and the basis for calculating the amount of any relevant payment and the manner of payment thereof.

(h) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of the Principal Paying Agent or such other Paying Agent as is notified to the Noteholders in exchange for a further coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 11).

9. Events of Default

The Trustee at its discretion may, and if so directed (i) in writing by the holders of at least one-fifth in principal amount of the Notes of any Series then outstanding or (ii) by an Extraordinary Resolution of the Noteholders shall, subject to its being indemnified to its satisfaction, give notice to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount, calculated as provided by Condition 7(e) (or, in the case of Zero Coupon Notes of a Series (unless the Constituting Instrument provides otherwise or does not specify the Amortisation Yield and Day Count Fraction) at their Amortised Face Amount) and the security constituted by the relevant Constituting Instrument and any Additional Charging Instrument in respect of such Series shall become enforceable, and the proceeds of realisation of such security shall be applied as specified in Condition 4(d) (all as provided by the Trust Deed), in any of the following events (**"Events of Default"**):

(a) if default is made for a period of 14 days or more in the payment of any sum due in respect of such Notes or any of them (save as specifically provided in these Conditions); or

(b) if the Issuer fails to perform or observe any of its other obligations under such Notes or the relevant Trust Deed and, if such failure is remediable, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and, for such purposes, any failure to perform or observe any obligation shall be deemed remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

(c) if a decree or order by a court having jurisdiction is entered that declares the Issuer bankrupt (*failliet*), or approves a petition seeking a moratorium of payments (*surséance van betaling*), reorganisation, arrangement, adjustment or composition of or in respect of the Issuer under any applicable law, or adjudges that the Issuer is in a situation requiring special measures (*bijzondere voorzieningen*) in the interests of all creditors as referred to in Chapter X of the Act of on the Supervision of the Credit System 1992 as amended from time to time (Wet toezicht kredietwezen 1992) or any amendment, modification or re-enactment thereof) or appoint a receiver, liquidator, assignee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or orders the winding up or liquidation of its affairs or the competent Chamber of Commerce takes any action to dissolve the Issuer pursuant to the Trade Registry Act (Handelsregisterwet) (or any amendment, modification or re-enactment thereof); or

(d) if a voluntary case or proceeding is initiated by the Issuer under any applicable insolvency law, including presentation to the court of an application for bankruptcy (faillissement), for an administration, liquidation or dissolution order, or seeking the appointment of a receiver, administrator, liquidator or other similar official in relation to the Issuer or to the whole or any substantial part of the undertaking or assets of the Issuer, or the competent Chamber of Commerce takes any action to dissolve the Issuer pursuant to the Trade Registry Act (or any amendment, modification or re-enactment thereof), or a receiver, administrator, liquidator or other similar official is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or an encumbrancer takes possession or execution or other

process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer; or

(e) if any event occurs with respect to the Issuer which, under the applicable laws of any jurisdiction, has an analogous effect of any of the events specified in (c) or (d) above.

While the Notes of any Series are represented by one or more Global Notes or Global Registered Certificates, the holder of any such Global Note or Global Registered Certificate (or two or more of them acting together, if more than one) representing one-fifth in principal amount of the Notes of such Series may exercise the right to request the Trustee to declare such Notes due and payable at the relevant amount by request in writing to the Trustee.

The Issuer has covenanted pursuant to the Trust Deed with the Trustee that, for so long as any Note remains outstanding, it shall provide a written confirmation to the Trustee annually that (to the best of its knowledge and belief) no Event of Default or Potential Event of Default (each as defined in the Master Definitions) has occurred.

The Issuer has further covenanted in the Trust Deed that it will give notice in writing to the Trustee promptly upon becoming aware of the occurrence of any Event of Default or Potential Event of Default and, at the same time as giving such notice to the Trustee, shall procure that a copy of the same is sent to each Rating Agency which has (at the request of the Issuer) assigned a rating to the Notes.

10. Enforcement and Limited Recourse

Only the Trustee may pursue the remedies available under the Trust Deed, the Conditions and any Additional Charging Instrument to enforce the rights of the Noteholders of a Series or any Swap Counterparty (in their respective capacities as such) in the order of priority specified in the Constituting Instrument. Neither any holder of any Note or Receipt or Coupon (if any) of such Series nor any Swap Counterparty is entitled to proceed directly against the Issuer or the Collateral, unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Trust Deed, any Additional Charging Instrument or the Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing, or (in any circumstances) against any assets of the Issuer other than the Collateral. After realisation of the security in respect of the Notes of such Series which has become enforceable and distribution of the net proceeds thereof in accordance with Condition 4 and save for lodging a claim in the liquidation of the Issuer initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer, neither the Trustee nor any Noteholder may take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Notes or Receipts or Coupons (if any) nor may any Swap Counterparty with the benefit of the security constituted by the Trust Deed take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the relevant Charged Agreement in respect of such Series and, in each case, all claims against the Issuer in respect of each of such sums unpaid shall be extinguished. In particular (but without limitation), none of the Trustee or any Noteholder or any Swap Counterparty shall be entitled to petition or take any other step for the winding-up of the Issuer in relation to such sums or otherwise, nor shall any of them have any claim in respect of any such sums or on any other account whatsoever over or in respect of any other assets of the Issuer.

Such net proceeds may be insufficient to pay all the amounts due to each Swap Counterparty and to pay to the Noteholders amounts equal to the Scheduled Redemption Amount and the interest which would otherwise accrue to the date of redemption. In such event, any shortfall shall be borne by the Noteholders and by each Swap Counterparty (if any) and any other persons entitled to the benefit of the security pursuant to the Constituting Instrument according to the order of priority specified in the Constituting Instrument, and the Early Redemption Amount will reflect such shortfall in the case of the Noteholders. None of the Trustee, the Foundation, the Managing Director, each Swap Counterparty (if any), the Arranger or any other person has any obligation to any Noteholders for payment of any amount by the Issuer in respect of the Notes or Receipts or Coupons (if any).

11. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts, Coupons and Talons (if any) shall be prescribed and become void unless made within 10 years from the due date for payment.

12. Replacement of Notes, Receipts, Coupons and Talons

If any Bearer Note or Registered Note (in global or definitive form), Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to all applicable laws and stock exchange requirements, at the specified office of the Principal Paying Agent (in the case of Bearer Notes) and the Registrar or any Transfer Agent (in the case of Registered Notes), upon payment by the claimant of the out-of-pocket expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued. In the case of a mutilated or defaced Bearer Note (unless otherwise covered by such indemnity as the Issuer may require) any replacement Bearer Note will only have attached to it Receipts, Coupons and/or Talons corresponding to those attached to the mutilated or defaced Bearer Note surrendered for replacement.

13. Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution

(a) *Meetings of Noteholders, modifications and waiver*

The Trust Deed provides for the convening meetings of Noteholders of a Series to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Conditions, the Trust Deed applicable to the Series and/or, if applicable, any Additional Charging Instrument or any agreement or deed constituted or created by the Constituting Instrument applicable to the Series. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a majority in principal amount of the Notes of the relevant Series for the time being outstanding, or, at any adjourned such meeting, two or more persons being or representing Noteholders of the relevant Series, whatever the principal amount of the Notes so held or represented, except that, *inter alia*, certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes or the Receipts or Coupons (if any) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing two-thirds, or, at any adjourned such meeting, not less than one-third, in principal amount of the Notes for the time being outstanding. The holder of a Global Note or Global Registered Certificate representing the whole of a Series will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders. A resolution duly passed at any meeting of the Noteholders will be binding on all Noteholders of the relevant Series, whether or not they were present at such meeting. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes who for the time being are entitled to receive notice of the meeting shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders of such Series. The Trustee may, without consulting the Noteholders, determine that an event which would otherwise be an Event of Default shall not be so treated but only if and insofar as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby and only with the prior written consent of any Swap Counterparty (which consent may be granted or refused in the discretion of such Swap Counterparty) and provided, if the Notes are rated at the request of the Issuer by any Rating Agency, each such Rating Agency shall have been notified in advance thereof and shall have confirmed to the Trustee that its then current rating of the Notes will not be withdrawn or adversely affected thereby. The Trustee may also agree, without the consent of the Noteholders, but only with the prior written consent of any Swap Counterparty (which consent may be granted or refused in the discretion of such Swap Counterparty) and provided, if the Notes have been rated at the request of the Issuer by any Rating Agency, each such Rating Agency shall have been notified in advance thereof and shall have confirmed to the Trustee that the current rating of the Notes assigned by such Rating Agency will not be withdrawn or adversely affected thereby, to:

(A) any modification to the Conditions, the Constituting Instrument, the Trust Deed, or any Additional Charging Instrument, the Agency Agreement, the Custody Agreement or the Charged Agreement applicable to the Series or any other agreement or deed constituted or created by the Constituting Instrument applicable to the Series which is of a formal, minor

or technical nature or is made to correct a manifest or proven error or is made as a result of any comments raised by The Irish Stock Exchange Limited in connection with an application to list a Series of Notes, and

(B) any other modification (except as mentioned in the relevant Constituting Instrument and as summarised above) and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions, the Constituting Instrument, the Trust Deed or any Additional Charging Instrument, the Agency Agreement, the Custody Agreement or the Charged Agreement applicable to the Series, or any agreement or deed constituted or created by the Constituting Instrument applicable to the Series and to which the Issuer and/or the Trustee are a party or any accession by or substitution of any party to any such agreement or deed which in each case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of that Series and subject as provided by the relevant agreement or deed.

Any such modification, authorisation or waiver shall be binding on the Noteholders of that Series and the Swap Counterparty (if any) and, unless the Trustee agrees otherwise with the Issuer, such modification shall be notified to the Noteholders of that Series in accordance with Condition 14 and The Irish Stock Exchange Limited (for so long as the Notes are listed thereon and The Irish Stock Exchange Limited so requires) as soon as practicable thereafter.

(b) *Authorisation*

The Issuer will not exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in, the Charged Assets without the prior consent in writing of the Trustee and, if such consent is given, the Issuer will act only in accordance with such consent. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) of, the Charged Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Charged Assets unless the Trustee shall have consented. If any such persons aforesaid are at any time requested to give an indemnity to any person in relation to the Charged Assets or to assume obligations not otherwise assumed by them under any of the Charged Assets, or to give up, waive or forego any of their rights and/or entitlements under any of the assets secured pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument, or agree any composition, compounding or other similar arrangement with respect to any of the Additional Charged Assets or any part of them, the Issuer will not give such indemnity or otherwise assume such obligations or give up, waive or forego such rights or agree such composition, compounding or other arrangement unless (i) the Trustee shall have consented and (ii) it shall have been counter-indemnified to its satisfaction.

The Trustee shall not be obliged to give any such consent to the Issuer in relation to the Charged Assets unless it is instructed to do so by any Swap Counterparty or by the holders of at least one-fifth in principal amount of the Notes of the relevant Series or by an Extraordinary Resolution of the Noteholders of such Series and then only if and to the extent that the Trustee is indemnified to its satisfaction against any costs or liabilities which it may incur in doing so and the giving of such direction or request would not cause the Trustee or the Issuer to breach any applicable law, rule, regulation or directive. Any instruction received by the Trustee in relation to any Series of Notes by an Extraordinary Resolution of the Noteholders of such Series shall override any instruction received from the holders of at least one fifth in principal amount of such Series, which shall override any instruction in relation to such Series by the Swap Counterparty, provided that the Trustee shall not be liable for having acted in accordance with any prior instruction given in accordance with this Condition.

The Trustee shall be entitled to rely and act on any instruction given to it by any Swap Counterparty or such Noteholders or by Extraordinary Resolution and it shall not be liable to any person for the consequences of acting in accordance with such instruction. The Trustee shall not be responsible for monitoring or enquiring whether any rights have become exercisable by the Issuer in its capacity as the holder of any Charged Assets and shall not be liable to any person for any failure by the Issuer to exercise those rights.

(c) *Substitution of Issuer*

The provisions of the Trust Deed permit the Trustee to agree, subject to such amendment of the Trust Deed, any Additional Charging Instrument, if applicable, and the other agreements and deeds constituted or created by the relevant Constituting Instrument and to the confirmation of any applicable Rating Agency that its then current rating of any existing Series will not be withdrawn or adversely affected thereby, and such other conditions as the Trustee may require including the transfer of security and subject to the prior written approval of each Swap Counterparty (if any), but without the consent of the Noteholders of any Series, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the relevant Trust Deed, any Additional Charging Instrument (if applicable) and the Notes, Receipts, Coupons and Talons (if any) in relation to any Series. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders of any Series, but subject to the prior written approval of each Swap Counterparty (if any), to a change of the law governing the Notes, the Receipts, the Coupons, the Talons (if any) and/or the Trust Deed and/or any Additional Charging Instrument and any other agreement or deed constituted or created by the Constituting Instrument with respect to the Series in question, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of the Series in question.

(d) *Entitlement of the Trustee*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for individual Noteholders or of holders of any other notes or bonds, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(e) *Swap Counterparty*

If, in relation to the relevant Series, there is one or more Charged Agreements, the Issuer shall not agree to any amendment or modification of the Conditions, the Trust Deed and/or any Additional Charging Instrument, if applicable, without first obtaining the written consent of the relevant Swap Counterparty, which consent may be granted or refused in the discretion of such Swap Counterparty.

14. Notices

Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the seventh day after the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper (expected to be the *Financial Times*) having general circulation in London and (so long as the Notes are Listed Notes and the rules of any relevant stock exchange or competent authority so require) in any such other newspaper in which publication is so required by the rules of that stock exchange or competent authority or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe approved by the Trustee. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Receiptholders, Couponholders and Talonholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

So long as any Notes are represented by Global Notes or Global Registered Certificates notices in respect of those Notes may be given by delivery of the relevant notice to Clearstream, Luxembourg, Euroclear, DTC or the relevant Alternative Clearing System for communication by them to entitled account holders or (in the case of a Global Registered Certificate registered in the name of a person other than a nominee for Euroclear, Clearstream, Luxembourg, or an Alternative Clearing System) to such person for communication

by it to those persons entered in the records of such person as being entitled to such notice, in each case, in substitution for publication in a leading daily newspaper with general circulation in London as aforesaid.

15. Indemnification of the Trustee

The Trust Deed provides for the indemnification of the Trustee and for its relief from responsibility for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Collateral, including provisions relieving it from taking proceedings to enforce repayment or from taking any action in accordance with the Constituting Instrument or any Additional Charging Instrument without being first indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any issuer or guarantor of, or other obligor in respect of, the assets, rights and/or benefits comprising the Charged Assets, any Swap Counterparty, any Agent or any of their respective subsidiaries or associated companies without accounting to the holders of Notes, Receipts or Coupons for any profit resulting therefrom.

The Trust Deed provides that the Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Collateral, from any obligation to insure all or any part of the Collateral (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) or to procure the same to be insured and from any claim arising from all or any part of the Collateral (or any such document aforesaid) being held in an account with Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System in accordance with that system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian selected by the Trustee or the Custodian.

The Trust Deed provides that the Trustee will be under no obligation or duty to act on any directions of the Noteholders or any Swap Counterparty (save as expressly provided in these Conditions or the Trust Deed) and (save as aforesaid), in the event of any conflict between directions given by the Noteholders and by any Swap Counterparty, it shall be entitled to act in accordance only with the directions of the Noteholders unless such Swap Counterparty gives directions to the Trustee in connection with any failure to pay when due any amount at any time owing to such Swap Counterparty in respect of the relevant Charged Agreement or (as the case may be) the Agency Agreement or Custody Agreement the payment or repayment of which is secured pursuant to the Trust Deed, in which case the Trustee shall be entitled to act in accordance only with the directions of any Swap Counterparty (but without prejudice to the provisions concerning enforcement of the security under Condition 4(c) and the Constituting Instrument and to the provisions concerning the application of moneys received by the Trustee in accordance with Condition 4(d) and the Trust Deed).

The Trust Deed provides that the Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any Swap Counterparty or of any obligor under any Charged Assets or the validity or enforceability of any of the obligations of any Swap Counterparty, under any Charged Agreement or of any obligor under the terms of any Charged Asset (including, without limitation, whether the cashflows from any Charged Assets, the Charged Agreement and the Notes are matched).

16. Further Issues

Without prejudice to the issue by the Issuer of a Series of Notes comprising more than one Tranche or class of Notes in the manner contemplated by Condition 3, the Issuer shall be at liberty from time to time without the consent of the Noteholders to:

(a) create and issue Series of Notes on terms that such Series shall not be consolidated with or form a single series with any other Series of Notes and will not be secured on the Collateral or underlying assets for or in relation to any such Series and will form a separate Series of Notes; or

(b) create and issue notes (**"Further Notes"**) on terms that such Further Notes shall be consolidated and form a single Series with the Notes of any existing Series (an **"Existing Series"**) but so long as confirmation is obtained from any Rating Agency that has, at the request of the Issuer, assigned a rating to the Existing Series that its then current rating of

the Notes of the relevant Existing Series will not be withdrawn or adversely affected thereby and provided that:

(i) the Further Notes together with the Notes of the Existing Series are secured on the Issuer's right, title and interest in and to the Charged Assets for the Existing Series (the **"Original Charged Assets"**) and assets (the **"Further Charged Assets"**) which are identical to the Original Charged Assets in every material respect and the nominal amount of which bears the same proportion to the nominal amount of the Further Notes as the proportion which the nominal amount of the Original Charged Assets bears to the nominal amount of the Notes of such Existing Series;

(ii) the Conditions of the Further Notes are identical to the Conditions of the Notes of such Existing Series except in respect of the first amount of interest (if any) in respect thereof;

(iii) the Further Notes are constituted by a constituting instrument supplemental to the Constituting Instrument in respect of the Notes of such Existing Series (the **"Further Constituting Instrument"**);

(iv) if the Issuer has entered into a Charged Agreement (the **"Original Charged Agreement"**) in respect of such Existing Series, the Issuer enters into an agreement or agreements supplemental to the Original Charged Agreement (the **"Further Charged Agreement"**) extending the provisions of the Original Charged Agreement, *pro rata*, to cover amounts receivable in respect of the Further Charged Assets and the obligations of the Issuer in respect of the Further Notes;

(v) the security interests granted by the Issuer in such Further Constituting Instrument and/or any further Additional Charging Instrument executed pursuant to such Further Constituting Instrument are granted to the Trustee (i) for any Swap Counterparty (if there is a Further Charged Agreement) to secure the obligations of the Issuer under both the Original Charged Agreement and the Further Charged Agreement and (ii) for all of the Noteholders of the consolidated Series on the same basis as that applicable to the Noteholders of the Existing Series;

(vi) in the case of an Existing Series which is rated by a Rating Agency at the request of the Issuer each rating (if any) of the Charged Assets and the Further Charged Assets at the date of issue of the Further Notes will be identical to the rating (if any) of the Original Charged Assets at the date of issue of the Notes of the Existing Series; and

(vii) if the Constituting Instrument for the Existing Series provides that the exemption from the 1940 Act provided by Section 3(c)(1) of the 1940 Act is being relied upon, no Further Notes may be issued if, as a result of such issuance, the total number of beneficial owners of the Notes of the Existing Series plus the Further Notes (together) that are U.S. Persons would exceed 100.

Upon any issue of Further Notes pursuant to this Condition 16, all references in these Conditions to **"Notes"**, **"Charged Assets"**, **"Constituting Instrument"** and **"Charged Agreement"** shall be deemed (where the context permits) to be references to the Notes and the Further Notes (including, where the context admits, any Receipts, Coupons or Talons appertaining thereto), the Original Charged Assets and the Further Charged Assets, the Constituting Instrument and the Further Constituting Instrument, and the Original Charged Agreement and the Further Charged Agreement, respectively. The Issuer may not, without the consent of the Noteholders by Extraordinary Resolution, issue any separate Series of Notes (other than Further Notes, as described above) which are secured on the assets comprised in the Collateral for the Notes of this Series except as otherwise specified (and then only to the extent so specified) in the Constituting Instrument relating to the Notes.

Further, if the Notes are rated (at the request of the Issuer) by any Rating Agency or Rating Agencies the Issuer undertakes to the Trustee, the Noteholders and each Swap Counterparty in relation to the Notes that

it will promptly notify the Trustee and such Rating Agency or Rating Agencies of each Discrete Series to be created or issued by it, prior to the creation or issue or entering into thereof and shall, prior to the creation or issue of such Discrete Series, obtain written confirmation from such Rating Agency or Rating Agencies that its then current rating of the Notes will not be adversely affected or withdrawn by the relevant Rating Agency or Rating Agencies as a result of the issue or creation of such Discrete Series (whether or not such Discrete Series are to be rated, at the request of the Issuer, by the relevant Rating Agency or Rating Agencies).

17. Taxation

All payments in respect of the Notes, Receipts or Coupons (if any) 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 Registrar or any Transfer Agent or any Paying Agent or, where applicable, the Trustee is required by applicable law to make any such payment in respect of the Notes, Receipts or Coupons (if any) 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 such Paying Agent, Registrar or Transfer Agent or, where applicable, the Trustee (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, the Swap Counterparty, the Arranger nor any Paying Agent, Registrar or Transfer Agent or, where applicable, the Trustee will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.

18. Governing Law and Submission to Jurisdiction

The Trust Deed, the relevant Constituting Instrument, the Agency Agreement, the Custody Agreement and the Charged Agreement (if any) and the Notes, the Receipts, the Coupons and the Talons (if any) and all other documents to which, by execution of the Constituting Instrument, the Issuer becomes a party in respect of a Series, are governed by and shall be construed in accordance with English law. Each Additional Charging Instrument (if any) shall be governed by and construed in accordance with the law specified therein. Each Charged Agreement (if any) shall be governed by and construed in accordance with English Law, unless otherwise specified in the Constituting Instrument. The Issuer has submitted to the jurisdiction of the English courts for all purposes in connection with the Notes, the Receipts, the Coupons and the Talons (if any), the Trust Deed, the Agency Agreement and the Custody Agreement and by the Constituting Instrument has appointed an agent in London to accept service of process on its behalf in connection with service of proceedings in the English courts.

Save as specified otherwise in the Constituting Instrument, no person shall have any right to enforce any of the Conditions of the Notes under the Contracts (Rights of Third Parties) Act 1999.

SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note in respect of Bearer Notes with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other clearing system (an **"Alternative Clearing System"**) (collectively, the **"Common Depositary"**) or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and delivery of the Global Registered Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg or such Alternative Clearing System will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Unless otherwise provided in the relevant Constituting Instrument, Notes which are offered or sold to investors in the United States in reliance upon an exemption from the registration requirements of the Securities Act will be available either (i) in the form of fully registered definitive notes or (ii) if the applicable Constituting Instrument specifies that the Issuer is relying on the exception provided by Section 3(c)(7) of the 1940 Act and the Notes are to be issued as Global Registered Certificates, in the form of one or more Global Registered Certificates. See "Special Provisions Relating to Global Registered Certificates" below.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Registered Certificate must look solely to Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of such Global Registered Certificate, as the case may be, and in relation to all other rights arising under the Global Note or Global Registered Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for as long as the Notes are represented by such Global Note or Global Registered Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of such Global Registered Certificate, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable on or after its Exchange Date:

(1) if the relevant Constituting Instrument indicates that such Temporary Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Bearer Notes defined and described below; and

(2) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Constituting Instrument for interests in a Permanent Global Note or, if so provided in the relevant Constituting Instrument, for Definitive Bearer Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes represented by one or more Registered Certificates only if and to the extent so specified in the relevant Constituting Instrument in accordance with the Conditions in addition to any Permanent Global Note or Definitive Bearer Notes for which it may be exchangeable.

Permanent Global Notes

Each Permanent Global Note will, if so provided in the relevant Constituting Instrument, be exchangeable, in whole but not in part, for definitive Bearer Notes either:

(1) on request from the holder thereof (or from all of the holders acting together, if more than one) for definitive Bearer Notes upon not less than 60 days' prior written notice to the Issuer

and the Issue Agent given (in the case of D Notes) not earlier than the relevant Exchange Date; or

(2) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System which would not be suffered were the Bearer Notes in definitive form and a certificate to such effect is given to the Trustee; or

(3) at the option of the holder (or all of the holders acting together, if more than one) if:

(a) the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Permanent Global Note for payment; or

(b) either Euroclear or Clearstream, Luxembourg or any other clearing system with which the Permanent Global Note is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no alternative clearing system satisfactory to the Trustee and the Principal Paying Agent is available.

Global Registered Certificates

Each Global Registered Certificate will be exchangeable on or after its Exchange Date in whole but not in part for Registered Notes as represented by one or more Registered Certificates:

(1) at the request of the registered holder (or all the registered holders acting together, if more than one), in whole but not in part, for definitive Registered Notes if:

(a) interests in the Global Registered Certificate are cleared through Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and Euroclear or Clearstream, Luxembourg or such Alternative Clearing System in which the Global Registered Certificate is for the time being held is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in the Global Registered Certificate and no alternative clearing system, satisfactory to the Trustee and the Registrar is available; or

(b) the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Global Registered Certificate for payment; or

(2) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream, Luxembourg or any other clearing system in which the Global Registered Certificate is for the time being held which would not be suffered were the Notes represented by this Global Registered Certificate in definitive form and a certificate to such effect is given to the Trustee.

Delivery of Definitive Bearer Notes and Registered Notes Represented by One or More Registered Certificates

On or after any due date for exchange for Definitive Bearer Notes or Registered Notes represented by one or more Registered Certificates (a) the holder of a Global Note may surrender such Global Note and (b) the holder of any Global Registered Certificate may, in the case of exchange in full, surrender such Global

Registered Certificate. In exchange for any Global Note or Global Registered Certificate, or the part thereof to be exchanged, the Issuer will in the case of (a) a Global Note exchangeable for Definitive Bearer Notes and (b) a Global Registered Certificate exchangeable for Registered Notes represented by one or more Registered Certificates, deliver, or procure the delivery of an equal aggregate principal amount of duly executed and authenticated Definitive Bearer Notes and/or Registered Notes represented by one or more Registered Certificates, as the case may be. Definitive Bearer Notes will be security printed and Registered Notes represented by one or more Registered Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the relevant Constituting Instrument. On exchange in full of each Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Bearer Notes and/or Registered Notes represented by one or more Registered Certificates.

Exchange Date

"Exchange Date" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date, but provided that if the Issuer issues any further notes pursuant to Condition 16 prior to the Exchange Date in relation to the Temporary Global Note representing the Notes with which such further notes shall be consolidated and form a single series, such Exchange Date may be extended to a date not less than 40 days after the date of issue of such further notes (but provided further that the Exchange Date for any Notes may not be extended to a date more than 160 days after their Issue Date). **"Exchange Date"** means in relation to a Permanent Global Note and a Global Registered Certificate, a day falling not less than 60 days after that on which the notice requiring exchange is given and, in any case, on which banks are open for business in the city in which the specified office of the Principal Paying Agent or, as the case may be, the Registrar is located and in the city in which the relevant clearing system is located.

Legend

Each Temporary Global Note, Permanent Global Note and any Bearer Note, Talon, Coupon and Receipt will bear the following legend:

> "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended."

The sections of the Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised, on any sale, exchange or redemption of Bearer Notes or any related Coupons.

Amendment to Conditions

Each Temporary Global Note, Permanent Global Note and Global Registered Certificate will contain provisions that apply to the Notes that they represent, some of which will modify the effect of the Terms and Conditions of the Notes set out in this Programme Memorandum. The following is a summary of those provisions:

Payments

Except where a date for payment of interest on any Bearer Note occurs while such Bearer Note is represented by a Temporary Global Note, in which case the related interest payment will be made against presentation of the Temporary Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Global Note) has been received by Euroclear or Clearstream, Luxembourg, no payment falling due after the Exchange Date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Bearer Notes is improperly withheld or refused. All payments in respect of a Permanent Global Note will be made against presentation or surrender, as the case may be, of the Permanent Global Note. All payments in respect of a Global Registered Certificate will be made against, in the case of principal only, presentation or surrender, as the case may be, of the Global Registered Certificate. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Bearer Notes represented thereby.

Prescription

Claims against the Issuer for payment in respect of Notes that are represented by a Temporary Global Note, Permanent Global Note or Global Registered Certificate will become void unless it is presented for payment within a period of ten years from the due date for payment.

Meetings

At any meeting of Noteholders on a show of hands every person who is present in person and who produces a Note or voting certificate or is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each unit of the relevant currency of the principal amount of the Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

Cancellation

Cancellation of any Bearer Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

Issuer's Options

Any option of the Issuer provided for in the Conditions of any Bearer Notes while such Bearer Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the Conditions, except that the notice shall not be required to contain the certificate numbers of Bearer Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Bearer Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Bearer Notes of any Series, the rights of accountholders with a clearing system in respect of the Bearer Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Bearer Notes while such Bearer Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to a Paying Agent or other relevant person within the time limits relating to the deposit of Bearer Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Bearer Notes in respect of which the option has been exercised, and stating the principal amount of Bearer Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Principal Paying Agent, or to a Paying Agent acting on behalf of the Principal Paying Agent, for notation.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Registered Certificate (in the case of Registered Notes).

Notices

So long as any Bearer Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Bearer Notes of that Series may be given by delivery of the

relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Programme Memorandum, but will be contained in the relevant Constituting Instrument and also in the relevant Global Notes.

THE CHARGED ASSETS SALE AGREEMENT

By executing the Constituting Instrument, the Issuer may enter into a charged assets sale agreement in respect of a Series (the **"Sale Agreement"**) with the Seller named as such in the Constituting Instrument on the terms set out in the master charged asset sale terms as specified in the relevant Constituting Instrument (the **"Master Charged Assets Sale Terms"**), as amended, modified and/or supplemented by the relevant Constituting Instrument, which Constituting Instrument shall incorporate by reference the provisions of the Master Charged Assets Sale Terms. Pursuant to the Sale Agreement, the Charged Assets relating to each Series of Notes will be purchased or acquired by the Issuer for delivery (subject as provided below) on the Issue Date of the Notes.

Unless otherwise specified in the applicable Supplement, pursuant to the Sale Agreement in selling the Charged Assets, the Seller makes no representation or warranty as to the creditworthiness of any obligor in respect thereof, or as to whether the obligations of any obligor in respect thereof are valid, binding or enforceable or as to whether any event of default or potential event of default has or may have occurred with respect thereto.

Copies of the Master Charged Assets Sale Terms and the Constituting Instrument which will constitute the relevant Sale Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at and collection of copies from the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.

CUSTODY ARRANGEMENTS

Unless otherwise specified in the applicable Supplement and/or the applicable Constituting Instrument, the party to the Constituting Instrument named as **"Custodian"** will act as the custodian of the Issuer with respect to any Charged Assets relating to the relevant Series or Tranche of Notes on the terms set out in the master custody terms as specified in the Constituting Instrument (the **"Master Custody Terms"**) as amended, modified and/or supplemented by the Constituting Instrument (the **"Custody Agreement"**).

The Custody Agreement will provide that (unless otherwise directed by the Trustee in accordance with the provisions of the Constituting Instrument and/or, if applicable, any relevant Additional Charging Instrument) the Charged Assets that are delivered to the Custodian will be held in safe custody, on behalf of the Issuer, subject to the security constituted by or pursuant to such Constituting Instrument and/or, if applicable, the relevant Additional Charging Instrument and to the provisions of the relevant Custody Agreement relating to release of the Charged Assets from the security constituted by such Constituting Instrument and/or, if applicable, the relevant Additional Charging Instrument.

Copies of the Master Custody Terms and the Constituting Instrument which will constitute the Custody Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at and collection of copies from the registered office of the Trustee and the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.

DESCRIPTION OF CHARGED AGREEMENT

Unless otherwise specified in the applicable Supplement, the Issuer will, on the Issue Date of the Notes of a Series, enter into one or more swap agreements with the party or parties to the Constituting Instrument named as a **"Swap Counterparty"** on the terms set out in the master charged agreement terms as specified in the Constituting Instrument (the **"Master Charged Agreement Terms"**), as amended, modified and/or supplemented by the Constituting Instrument (each a **"Charged Agreement"**). A Charged Agreement may comprise any transaction (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in (i) that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value and any combination of the foregoing transactions, under which the relevant Swap Counterparty may make certain payments and/or deliveries of cash, securities or other assets to the Issuer in respect of amounts due or deliveries to be made in respect of the Notes, Receipts and Coupons (if any) and the Issuer may make certain payments and/or deliveries of securities or other assets to the Swap Counterparty corresponding to sums or other deliveries receivable by the Issuer in respect of the Charged Assets, all as more particularly described in the applicable Supplement and/or the applicable Constituting Instrument. A Charged Agreement may contain provisions requiring the relevant Swap Counterparty or the Issuer to deposit security, collateral or margin in certain circumstances all as may be more particularly described in the applicable Supplement and/or the applicable Constituting Instrument. A Charged Agreement for a Series may contain provision for the payment of Swap Counterparty Additional Payments to the Issuer which may be used by the Issuer for the payment of Issuer Expenses.

A Charged Agreement for a Series will, unless otherwise specified in the applicable Supplement, terminate on the Maturity Date of the Notes of the relevant Series, unless terminated earlier in accordance with the terms thereof.

The Charged Agreement (if any) for a Series will (unless otherwise specified in the applicable Supplement) incorporate the Master Charged Agreement Terms which comprise a swap agreement incorporating the International Swaps and Derivatives Association, Inc. form of Master Agreement (1992 Edition) (Multicurrency Cross-Border) and a Schedule thereto and be supplemented by one or more letters of confirmation created by the Constituting Instrument for such Series.

Early Termination of the Charged Agreement

The Charged Agreement may, unless otherwise specified in the applicable Supplement and/or the applicable Constituting Instrument, be terminated early on the occurrence of one of the Events of Default or Termination Events (each as defined in the Charged Agreement) specified in the Charged Agreement.

Unless otherwise specified in the applicable Supplement and/or the applicable Constituting Instrument, on the occurrence of a termination of the Charged Agreement, a termination payment may be due to be paid to the Issuer by the relevant Swap Counterparty or to the relevant Swap Counterparty by the Issuer, which amount will be determined by the relevant Swap Counterparty except where the relevant Swap Counterparty is the Defaulting Party (as defined in the Charged Agreement), in which case it will be made by the Issuer.

Partial Termination of the Charged Agreement

Unless otherwise specified in the applicable Supplement and/or the applicable Constituting Instrument, a Charged Agreement may be terminated in part or in whole if the relevant Swap Counterparty receives a

notice that some (or all) of the Notes of the relevant Series are to be redeemed by the Issuer pursuant to Condition 7(f) or Condition 7(k) of the Notes or purchased by the Issuer pursuant to Condition 7(g) of the Notes or exchanged for Notes of a New Series pursuant to Condition 7(h) of the Notes. In such circumstances (unless otherwise specified in the applicable Supplement and/or the applicable Constituting Instrument) the liability of the Issuer and the relevant Swap Counterparty to make payments and/or deliveries to the other pursuant to the Charged Agreement after the date of such redemption, purchase or exchange will, in the case of any redemption or purchase, be terminated, in the case of any redemption or purchase, to the extent and in the amounts that are equivalent to (in the case of the Issuer) the amounts which would have been received by the Issuer on the Charged Assets to be released from the charges granted in favour of the Trustee in or pursuant to the relevant Constituting Instrument consequent on such redemption and (in the case of the relevant Swap Counterparty) the amount which would have been payable on the Notes so redeemed and, in the case of an exchange, will be terminated in whole. Upon any partial termination of the Charged Agreement pursuant to the foregoing a determination of a Settlement Amount (as defined in the Charged Agreement) will be made by the relevant Swap Counterparty with respect to the portion of the Charged Agreement which is terminated only (unless otherwise specified in the applicable Supplement and/or Constituting Instrument).

If a Charged Agreement is terminated prior to its scheduled termination date in accordance with its terms then, save as otherwise provided in the relevant Charged Agreement, the security constituted by the relevant Constituting Instrument and/or any Additional Charging Instrument may become enforceable.

Copies of the Master Charged Agreement Terms and the Constituting Instrument which will constitute the Charged Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at, and collection of copies from, the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used in or towards acquisition of the Charged Assets in respect of the relevant Notes, and/or to pay for or enter into any Charged Agreement in connection with such Notes and may be used to pay expenses in connection with the administration of the Issuer or the issue of the Notes (in each case as specified in the relevant Supplement).

DESCRIPTION OF THE ISSUER

General

Lambda Finance B.V. a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) was incorporated under the laws of The Netherlands on 5 December 2003 for an unlimited period and having its corporate seat (*statutair zetel*) in Amsterdam with the purpose of issuing Notes under the Programme, acquiring collateral (if any) and entering into and carrying out its obligations in relation to such Notes.

The Issuer has not previously carried on any business or carried on any activities other than those incidental to its registration, the authorisation and issue of Notes contemplated in this Programme Memorandum and the other matters described or contemplated in this Programme Memorandum and the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities.

The Issuer has no subsidiaries.

Stock and Registered Office

The Issuer has an issued and outstanding share capital of EUR 18,000, consisting of 180 shares with a nominal value of EUR 100 each, all of which are fully paid up and held by Stichting Lambda Finance, a foundation (*stichting*) (the "**Foundation**") established under Dutch law on 3 December 2003.

The corporate seat of the Issuer is in Amsterdam, The Netherlands, its registered office is Fred. Roeskestraat 123, 1hg, The Netherlands, and its correspondence address is Fred. Roeskestraat 123, 1hg, The Netherlands. The Issuer is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam under number 34198975. The Foundation is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam under number 34198822.

Management

As at 5 December 2003, the following person has been appointed as the sole managing director (*statutair directeur*) of the Issuer:

Structured Finance Management (Netherlands) B.V.
Fred. Roeskestraat 123, 1hg
1076 EE Amsterdam
The Netherlands

The managing director is responsible for the management and administration of the Issuer and the managing director entered into a management agreement dated 11 December 2003 with the Issuer in respect thereof. The business address of the managing director is Fred. Roeskestraat 123, 1hg Amsterdam, The Netherlands.

As at 3 December 2003, Structured Finance Management (Netherlands) B.V. has been appointed as the sole director of the Foundation.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared and the Issuer has not entered into any commercial operations. In principle, the Issuer is not required by Dutch law to, and does not intend to, publish audited financial statements. However, a limited balance sheet with explanatory notes must be filed with the trade register of the Chamber of Commerce and Industry in

Amsterdam. Copies of limited balance sheets will be available for collection and inspection at the office of the Irish Listing Agent. The Issuer does not intend to prepare financial statements other than as may be required by law and in order to obtain or preserve any rating by a recognised debt rating agency of the Issuer or any Series of Notes issued by it.

The Issuer will covenant in each Constituting Instrument relating to a Series of Notes to procure that the Trustee receives an annual certificate, in form and substance satisfactory to the Trustee that for so long as any Note remains outstanding no Event of Default has occurred and is continuing.

Business of the Issuer

So long as any of the Notes remains outstanding, the Issuer will be subject to the restrictions set out in Condition 5 and each Constituting Instrument.

The Issuer has, and will have, no assets other than the amounts standing to the credit of the Issuer Dutch Account and any other assets on which the Notes are secured. Save in respect of the minimum profit to be retained according to the Dutch tax agreement obtained on behalf of the Issuer with the Dutch tax authorities in connection with each issue of Notes and the proceeds of any deposits and investments made from such amounts or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Notes are obligations of the Issuer alone and not of, or guaranteed in any way by, the Managing Director, the Foundation or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by Barclays Bank PLC, Structured Finance Management (Netherlands) B.V. and/or its group entities, any Swap Counterparty, any Dealer or any Agent.

Tax Status of Issuer

The Issuer is a resident of The Netherlands for Dutch tax purposes.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation of the Issuer as of the date of this Programme Memorandum:

Shareholders' Funds:

Share capital (Authorised EUR 18,000, Issued 180 Shares of EUR 100 each). EUR 18,000.

Indebtedness

Series 2003 – A1 £2,000,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – A2 EUR 7,250,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – B1 £3,000,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – B1 (Fixed) £8,150,000 Secured Limited Recourse Fixed Rate Credit-Linked Notes due 2008

Series 2003 – B2 EUR 22,800,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – C1 £4,500,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – C2 EUR 18,050,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Series 2003 – D1 £4,500,000 Secured Limited Recourse Floating Rate Credit-Linked Notes due 2008

Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. As at the date of this Programme Memorandum, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, other than as disclosed above.

DESCRIPTION OF THE MANAGING DIRECTOR

General

The corporate seat of the Structured Finance Management (Netherlands) B.V. (the "**Managing Director**") is in Amsterdam, the Netherlands, its registered office is Fred. Roeskestraat 123, 1hg, 1076 EE Amsterdam, The Netherlands, and its correspondence address is Fred. Roeskestraat 123, 1hg, 1076 EE Amsterdam, The Netherlands. The Managing Director is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam, The Netherlands under number 34173691.

The directors of the Managing Director are:

Mr. J.H. Scholts
Mr. J. Lont
Mr. A.G.M. Nagelmaker
Mr. G.F.X.M. Nieuwenhuizen

Business of the Managing Director

As part of its Corporate and Commercial Services for the capital markets in the Netherlands and abroad, Structured Finance Management group entities provide independent directors, management services and corporate administration services to Special Purpose Vehicles (SPVs) in structured finance and securitisation transactions.

Responsibilities of the Managing Director in relation to the Issuer

The Managing Director is responsible for the management and administration of the Issuer pursuant to the terms of the Management and Corporate Services Agreement dated 11 December 2003 entered into between the Managing Director and the Issuer.

Retirement and Replacement of the Managing Director

The Managing Director may resign its appointment as managing director by written notice to the Issuer and observing a three months' notice-period, provided however that (i) such termination shall only become effective as from the moment a new managing director (*statutair bestuurder*) has been appointed for the Issuer in accordance with the applicable provisions of the relevant Dutch Civil Code (which shall not be unreasonably delayed) and (ii) such three-months' notice-period may be reduced to one month in such circumstances that if it would not be reduced to one month it would be materially prejudicial to either the Issuer or the Managing Director.

UNITED KINGDOM AND DUTCH TAXATION

This is a general summary of certain United Kingdom and Dutch tax considerations in connection with an investment in the Notes. This summary does not address all aspects of United Kingdom and Dutch tax law. **Prospective investors in the Notes are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, or any other relevant jurisdiction, of the purchase, ownership or disposition of the Notes or any interest therein.**

A. United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payment of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and do not deal with the position of certain classes of Noteholders such as dealers. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes. The comments are made on the assumption that the Issuer of the Notes is not resident in the United Kingdom for United Kingdom tax purposes. This summary as it applies to United Kingdom taxation is based upon United Kingdom law and Inland Revenue practice as in effect on the date of this Programme Memorandum and is subject to any change in law or practice that may take effect after such date. **The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.**

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

On 3 June 2003, the European Council of Economics and Finance Ministers ("ECOFIN") adopted the Directive on the taxation of savings and agreed that this Directive should be implemented into Member States' national laws from 1 January 2004 and be applied from 1 January 2005. Under the Directive, each Member State will ultimately be expected to provide information to other Member States on interest paid from that Member State to individual savers resident in those other Member States. However, for a transitional period, Belgium, Luxembourg and Austria will be allowed to apply a withholding tax starting at a rate of 15% for the first three years (2005-2007) and increasing to 35% in 2011 and following years. These three Member States will implement automatic exchange of information if and when the European Commission enters into an agreement by unanimity in the Council with certain other countries to exchange of information upon request and to continue to apply simultaneously the withholding tax.

Payments by the Issuer

1. Interest on Notes issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax.

2. Interest on Notes issued for a term of one year or more may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances when such interest has a United Kingdom source.

3. Interest on Notes may have a UK source; for example interest on Notes secured on assets situate in the UK may have a UK source. Interest which has a United Kingdom source ("**UK Interest**") may be paid by the Issuer without withholding for or on account of UK income tax if the Notes in respect of which the UK Interest is paid constitute "quoted Eurobonds". Notes will constitute “quoted Eurobonds” if they carry a right to interest and are and continue to be listed on a "recognised stock

exchange" (the Luxembourg Stock Exchange, the Irish Stock Exchange and the London Stock Exchange are so recognised).

4. In addition to the exemptions referred to in paragraphs 1 to 3 above, the Issuer is entitled to make payments of interest on the Notes without withholding or deduction for or on account of United Kingdom income tax if, at the time the relevant payments are made, the Issuer reasonably believes that, broadly, the person beneficially entitled to the income is a company within the charge to United Kingdom corporation tax in respect of the interest or falls within a list of specified tax-exempt entities and bodies, or has made a successful application for exemption from with holding tax under an application double taxation treaty.

5. In all other cases, UK Interest on the Notes will be paid under deduction of United Kingdom income tax at the lower rate applicable to savings income (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty.

6. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Note will not be subject to any United Kingdom withholding tax pursuant to the provisions outlined in paragraphs 1 to 5 above.

7. Where Notes are issued with a redemption premium, as opposed to being issued at discount, then any such element of premium may constitute a payment of interest. Payments of interest may be subject to United Kingdom withholding tax rules as outlined above.

8. Noteholders and Couponholders should note that neither the Issuer nor the Paying Agent will be obliged to make any additional payments to a holder of Notes or Coupons in respect of any withholding or deduction required to be made by applicable law.

Dutch Taxation

This section provides a general description of the principal Dutch tax consequences of the holding of the Notes. This summary provides general information only and is restricted to the matters of Dutch taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, or to dispose of the Notes. This summary does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with The Netherlands other than the holding of the Notes. As it is unlikely that any holder of a Note will have a substantial interest (*aanmerkelijk belang)* as defined in section 4.3 of the Dutch Income Tax act 2001, in the Issuer, this summary does not describe the tax consequences relating to a substantial interest.

Prospective investors should consult their own professional advisers with respect to the consequences of an investment in the Notes.

The summary provided below is based on the Dutch tax laws as generally interpreted and applied by the Dutch courts at the date of this Programme, without prejudice to any changes in law or the interpretation or application thereof, which changes may be implemented with or without retroactive effect.

Withholding Tax

All payments by the Issuer of interest and principal under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

A holder of a Note who derives income from a Note or who realises a gain from the disposal or redemption of a Note will not be subject to Dutch taxation on such income or gain, provided that:

1. such holder is neither resident nor deemed to be resident in The Netherlands for Dutch tax purposes and has not elected to be treated as a resident of The Netherlands for Dutch tax purposes;

2. such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of that enterprise, as the case may be, the Notes are attributable;

3. such holder is not entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable;

4. such holder does not have a substantial interest (*aanmerkelijk belang)* or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001;

5. such holder does not carry out and has not carried out employment activities in The Netherlands nor carries or carried out employment activities outside The Netherlands for which the remuneration is subject to Dutch wage withholding tax and with which employment activities the holding of the Notes is connected; and

6. such holder does not derive benefits from the Notes that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland)* as defined in the Dutch Income Tax Act 2001, which include, but is not limited to, activities in respect of the Notes which are beyond the scope of "regular active asset management" (*normaal actief vermogensbeheer*).

Under the laws of The Netherlands a holder of Notes will not be deemed resident, domiciled or carrying on a business in The Netherlands by reason only of the issue of the Notes or the performance by the Issuer of its obligations under the Notes.

Gift and Inheritance Taxes

No gift, estate or inheritance taxes will arise in The Netherlands with respect to the acquisition of Notes by way of gift by, or on the death of a holder of Notes who is neither resident nor deemed to be resident in The Netherlands, unless:

(i) such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable;

(ii) the Notes are or were attributable to an enterprise that is effectively managed in The Netherlands and at the time of the gift the donor is, or at the time of his death the deceased was, entitled to a share in the profits of that enterprise or part thereof other than by way of securities or through an employment contract; or

(iii) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of The Netherlands at the date of the gift or the date of his death if he has been a resident of The Netherlands at any time during the ten years preceding the date of his death.

For purposes of Dutch gift and inheritance tax, an individual who does not have the Dutch nationality, or an entity, will be deemed to be resident of The Netherlands at the date of the gift if he has been a resident of The Netherlands at any time during the twelve months preceding the date of the gift.

Turnover Tax

No Dutch turnover tax will arise in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal or interest on the Notes.

Other Taxes and Duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the issue of the Notes.

THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE CONSEQUENCES OF THEIR PARTICULAR SITUATION.

SUBSCRIPTION AND SALE

The Issuer will enter into a Placing Agreement with the Arranger in respect of each issue of Notes, pursuant to which the Arranger will agree, among other things, to purchase or to procure purchasers for such Notes.

Dutch 1992 Act of the Supervision of the Credit System

Notes (including rights representing an interest in a Global Note) may not, directly or indirectly, be, or announced to be, offered, sold, resold, transferred, or delivered prior to their initial distribution or at any time thereafter, to or to the order of or for the account of any person anywhere in the world, other than professional market parties ("**Professional Market Parties**"), including, *inter alia*, (I) regulated credit institutions, insurance companies, securities firms, investment institutions and pension funds in a member state of the European Union, Liechtenstein, Iceland, Norway, Hungary, Monaco, Poland, Puerto Rico, Saudi Arabia, Slovakia, The Czech Republic, Turkey, South Korea, The United States of America, Japan, Australia, Canada, Mexico, New Zealand or Switzerland and regulated subsidiaries thereof, (II) central and local governments, central banks, international treaty organisations, supranational institutions, (III) enterprises and institutions with assets totalling EUR 500,000,000 or more, (IV) enterprises, institutions or natural persons with net equity of at least EUR 10,000,000 and which or who have during two calendar years been active on the financial markets at least twice per month, and (V) enterprises and institutions which have a rating of a rating agency that is recognised by the Dutch Central Bank or which issue securities that have a rating from such rating agency, all within the meaning of and as further described and defined in section 1, paragraph E, of the Dutch ministerial regulation of 26 June 2002, as amended from time to time, implementing, *inter alia*, section 6, paragraph 2 of the Dutch 1992 Act of the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*), as amended from time to time.

If at the time of issue of Notes (including rights representing an interest in a Global Note) the Issuer is not reasonably able to identify the current or future holders thereof as Professional Market Parties, it may nevertheless issue such Notes if it has taken sufficient measures to ensure that such Notes are held by Professional Market Parties.

Sufficient measures have been taken if the Notes:

(A) (a) have a denomination of at least EUR 500,000 (or the equivalent in any other currency) (the "**High Denomination**"); and

(b) are either:

(i) at the time of their issuance entered into a clearing system or centralised deposit system that is established or operating in a member state of the European Union, Liechtenstein, Iceland, Norway, the United States, Japan, Australia, Canada or Switzerland in which securities can only be held through a licensed credit institution or securities institution; or

(ii) are initially issued to Professional Market Parties that are reasonably expected to transfer the Notes exclusively to Professional Market Parties,

all within the meaning of and as further described and defined in the Guidelines published by Dutch Central Bank (Official Gazette, 10 July 2002, no. 129) as amended and/or restated from time to time; or

(B) (a) have a denomination lower than the High Denomination;

(b) are subject to the Professional Market Party Redemption (as defined in Condition 7(k));

(c) are either:

(i) at the time of their issuance entered into a clearing system or centralised deposit system that is established or operating in a member state of the European Union, Liechtenstein, Iceland, Norway, the United States, Japan, Australia, Canada or Switzerland in which securities can only be held through a licensed credit institution or securities institution; or

(ii) are initially issued to Professional Market Parties that are reasonably expected to transfer the Notes exclusively to Professional Market Parties,

all within the meaning of and as further described and defined in the Guidelines published by Dutch Central Bank (Official Gazette, 10 July 2002, no. 129) as amended and/or restated from time to time; and

(d) each purchaser of Notes will be deemed to have represented and agreed as follows:

(i) the purchaser is purchasing the Notes for its own account or for the account of a Professional Market Party to which notice has been given that the transfer is being made in reliance on it being a Professional Market Party, and not with a view to any public resale or distribution thereof;

(ii) such purchaser has confirmed it is a Professional Market Party and is aware that any sale and transfer of the Notes to it will be made in reliance on such confirmation; and

(iii) such purchaser agrees and each subsequent purchaser of the Notes by its acceptance thereof will agree, to offer, to sell, to resell, or to transfer such Notes only (1) to the Issuer or (2) to a person it reasonably believes is a Professional Market Party that purchases for its own account or for the account of a Professional Market Party to which notice has been given that the transfer is being made in reliance on it being a Professional Market Party. Such purchaser acknowledges that the Notes bear a legend substantially to the following effect:

THIS NOTE (OR INTEREST THEREIN) MAY NOT, DIRECTLY OR INDIRECTLY, BE, OR ANNOUNCED TO BE, OFFERED, SOLD, RESOLD, TRANSFERRED, OR DELIVERED PRIOR TO ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, TO OR TO THE ORDER OF OR FOR THE ACCOUNT OF ANY PERSON ANYWHERE IN THE WORLD, OTHER THAN PROFESSIONAL MARKET PARTIES.

THE HOLDER OF THIS NOTE (OR INTEREST THEREIN) BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL, RESELL, TRANSFER OR DELIVER SUCH NOTE ONLY (A) TO THE ISSUER OR (B) TO A PERSON IT REASONABLY BELIEVES IS A PROFESSIONAL MARKET PARTY THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PROFESSIONAL MARKET PARTY TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON IT BEING A PROFESSIONAL MARKET PARTY.

EACH PURCHASER OF THIS NOTE (OR INTEREST THEREIN), BY ITS ACCEPTANCE HEREOF, WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS ACTING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER PROFESSIONAL MARKET PARTY.

Dutch Securities Supervision Act 1995

In addition and without prejudice to the relevant restrictions set out above, Notes that are offered anywhere in the world as part of their initial distribution or by way of re-offering, may only be offered and such an offer may only be announced:

(A) within a closed circle; or

(B) if those Notes have a denomination of at least EUR 50,000 or the equivalent in any other currency; or

(C) if the Notes, irrespective of their denomination, can be acquired only as a package for a consideration of at least EUR 50,000 or the equivalent in any other currency, provided that (i) the offer, the applicable Supplement and each announcement of the offer states that the

Notes are only offered as a package for a consideration of at least EUR 50,000 or the equivalent in any other currency and (ii) any such document or written announcement is submitted to the Dutch Authority for the Financial Markets before the offer is made or announced; or

(D) to persons who trade or invest in securities in the conduct of a business or profession (which includes banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which are regularly active in the financial markets in a professional manner), provided that the offer, the applicable Pricing Supplement and each announcement of the offer states that the offer is and will exclusively be made to such persons; or

(E) to persons who are established domiciled or have their residence (collectively, "are resident") outside the Netherlands, provided that (i) the offer, the applicable Pricing Supplement and each announcement of the offer states that the offer is not and will not be made to persons who are resident in the Netherlands, (ii) the offer, the applicable Pricing Supplement and each announcement of the offer comply with the laws of any state where persons to whom the offer is made are resident and (iii) a statement by the Issuer that those laws and regulations are complied with is submitted to the Dutch Authority for the Financial Markets before the offer is made and is included in the applicable Pricing Supplement and each such announcement; or

(F) to persons referred to under (D) or (E), provided that the offer and announcement thereof complies with the requirements set out under (D) and (E); or

(G) otherwise in accordance with the Dutch Securities Supervision Act (*Wet toezicht effectenverkeer 1995*).

Saving Certificates Act 1985

In addition and without prejudice to the relevant restrictions set out above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V. (*toegelaten instelling*), in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required (a) in respect of the transfer and acceptance of Zero Coupon Notes whilst in the form of rights representing an interest in a Zero Coupon Instrument in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 March 1987 attached to the Royal Decree of 11 March 1987 (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws. Consequently, the Notes may not be offered, sold, or otherwise transferred within the United States or to, or

for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act. The Issuer has not been and will not be registered under the 1940 Act.

Bearer Notes will be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to or for the account of a U.S. person except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them in the Code.

Additionally, Notes of a non-U.S. Series or a non-U.S. Tranche may not be offered, sold, delivered or transferred within the United States or to or for the account or benefit of U.S. Persons under any circumstances before the end of the 40-Day Restricted Period. **Persons considering the purchase of Notes should consult their own legal advisers concerning the application of U.S. securities laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other relevant jurisdictions**.

In addition, until 40 days after the commencement of the offering of any Series or Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if not made in accordance with the provisions hereof.

In the case of Notes placed under Rule 144A, so long as any of such Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply

Beneficial interests in the Global Registered Certificate representing any Notes of a U.S. Series or U.S. Tranche to which the Alternative Procedures apply are being initially offered and sold by the Arranger only to non-U.S. Persons outside the United States in reliance on Regulation S under the Securities Act and to persons reasonably believed by the Arranger to be QIBs under Rule 144A under the Securities Act that are also QPs under the 1940 Act, in each case, in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Offers, sales and resales of such Notes, other than to non-U.S. Persons acquiring such Notes in offshore transactions in compliance with Regulation S, may only be made in the applicable minimum denomination specified in the applicable Supplement to QIBs that are also QPs.

Unless otherwise specified in the related Supplement, each purchaser of Notes of a U.S. Series or U.S. Tranche to which the Alternative Procedures apply, both in the initial offering of such Notes and thereafter in secondary market transactions, will be deemed to have acknowledged, represented and agreed with the Issuer and the Arranger as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. Either (a) such person is not a U.S. Person and is acquiring this security in an offshore transaction in compliance with Regulation S under the Securities Act or (b) such person (i) is a QIB who is also a QP (a **"QIB/QP"**); (ii) is not a broker-dealer which owns or invests on a discretionary basis less than $25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a 401(k) plan; (iv) is acting solely for its own account and/or for the accounts of one or more other persons each of which it reasonably believes satisfies the requirements of clause (a) or items (i) through (vi) of this clause (b); (v) is not formed for the purpose of investing in the Issuer; (vi) will, and each account for which it is purchasing will, hold and transfer Notes in the applicable minimum denomination and (vii) will provide notice of the transfer restrictions set forth herein to any subsequent transferees.

2. Such person understands that the Issuer has not been and will not be registered under the 1940 Act and the Notes have not been and will not be registered under the Securities Act, and unless such person is not a U.S. Person and is acquiring the Notes in an offshore transaction in

compliance with Regulation S under the Securities Act, such person acknowledges that the sale to it may be made in reliance on Rule 144A.

3. If such person is being sold the Notes in reliance on Rule 144A, for so long as the Notes are outstanding, such person will not offer, resell, pledge or otherwise transfer the Notes other than (a) to a non-U.S. Person in an offshore transaction in compliance with Regulation S under the Securities Act or (b) to a person that it reasonably believes satisfies each of the items set forth in clause (b) of paragraph (1) (such a person, a **"Qualifying QIB/QP"**) in a transaction meeting the requirements of Rule 144A.

4. The Conditions permit the Issuer to (a) require any holder of Notes represented by a Global Registered Certificate that is a U.S. Person who is determined not to be a Qualifying QIB/QP to sell the Notes in a transaction complying with paragraph (3) above or (b) redeem any Notes represented by a Global Registered Certificate that are held by a U.S. Person who is determined not to be a Qualifying QIB/QP at par plus accrued interest to the payment date. In addition, the Issuer has the right to refuse to register or otherwise honour a transfer of Notes to a proposed transferee that is a U.S. Person who is not a Qualifying QIB/QP.

5. Such person understands that the Global Registered Certificate will bear a legend with respect to, among other things, such transfer restrictions and the powers of the Issuer described in paragraph (4) above.

6. Such person is not, and for so long as it holds any Notes will not be, an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **"Code"**), a person or entity whose assets include the assets of any such employee benefit plan or plan by reason of 29 C.F.R. Section 2510.3-101 or otherwise, or any other employee benefit plan without regard to the federal, state, local or foreign law pursuant to which the plan is organised or administered, and such person is not using the assets of any such plan to acquire the Notes.

7. It acknowledges that the Issuer, the Arranger and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and the Arranger. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, the Arranger will represent in the relevant Placing Agreement that (a) it is a QIB/QP and (b) within the United States, it has only sold and will only sell to U.S. Persons (including any other underwriter, manager or dealer) that are or that it reasonably believes are Qualifying QIB/QPs. The Issuer will represent in the relevant Placing Agreement that, based on discussions with the Arranger and other factors the Issuer or its counsel may deem necessary or appropriate, the Issuer has a reasonable belief that initial sales and subsequent transfers of the Notes held through DTC to U.S. Persons will be limited to Qualifying QIB/QPs.

United Kingdom

Unless otherwise provided in the relevant Placing Agreement, the Arranger will in each Placing Agreement to which it is party agree in relation to the Notes to be purchased or entered into thereunder that:

(i) in relation to Notes which have a maturity of one year or more, it has not offered or sold, and, prior to the expiry of a period of six months from the Issue Date of such Notes, will not offer or sell, any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulation 1995;

(ii) it has only communicated or caused to communicated, and it will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of

section 21 of the Financial Services and Markets Act 2000 (the **"FSMA"**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;

(iii) in relation to any Notes which have a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and

(iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Republic of Ireland

The Arranger will in each Placing Agreement to which it is a party confirm that, except in certain circumstances which do not constitute an offer to the public within the meaning of the Companies Act, 1963 (as amended) of Ireland (the **"1963 Act"**), it has not offered or sold and will not offer or sell the Notes in Ireland or elsewhere, by means of any document prior to application for listing of the Notes being made and the Irish Stock Exchange having approved the relevant listing particulars in accordance with the 1984 Regulations and thereafter by means of any document other than (i) the relevant listing particulars and/or (ii) a form of application issued in connection with the Notes which indicates where the relevant listing particulars can be obtained or inspected or which is issued with the relevant listing particulars.

The Arranger will in each Placing Agreement to which it is a party confirm that it has complied with and will comply with all applicable provisions of the 1963 Act and the 1984 Regulations with respect to anything done by it in relation to the Notes in, from or otherwise involving Ireland.

The Arranger will in each Placing Agreement to which it is a party confirm that it has not made and will not make any offer of the Notes which would require a prospectus to be issued under the European Communities (Transferable Securities and Stock Exchange) Regulations 1992 of Ireland.

To the extent applicable, the Arranger will in each Placing Agreement to which it is a party confirm that it will not underwrite the issue of or place the Notes otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 (as amended) of Ireland, including, without limitation, sections 9 and 23 (including any advertising restrictions made thereunder) and any conduct made under section 37 and the provisions of the Investor Compensation Act, 1998 of Ireland, including, without limitation, section 21.

General

These selling restrictions may be modified by the agreement of the Issuer and the Arranger following a change in a relevant law, regulation or directive. Any such modification will be set out in the Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Programme Memorandum.

This Programme Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes and the making outside the United States to and with non-U.S. persons and for the private placement of the Notes in the United States and for the listing of the Notes on the Irish Stock Exchange. The Issuer and the Arranger reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered pursuant to Rule 144A.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum or any part thereof or any other offering material or any Supplement, in any country or jurisdiction where action for that purpose is required.

Unless otherwise provided in the relevant Placing Agreement, the Arranger will in each Placing Agreement to which it is party agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Programme Memorandum or any part thereof, any other offering material or any Supplement in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Arranger shall have responsibility therefor.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in the Netherlands at the date of this Programme Memorandum in connection with the establishment of the Programme. The establishment of the Programme and the issue of this Programme Memorandum were authorised by resolutions of the Board of Directors of the Issuer passed on 11 December 2003.

(2) Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the financial position or prospects of the Issuer in each case, since its incorporation on 05 December 2003.

(3) The Issuer is not involved in any litigation or arbitration proceedings which may have, or have had since its incorporation on 05 December 2003, a significant effect on its financial position, nor is the Issuer aware that such proceedings are pending or threatened.

(4) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U. S. Internal Revenue Code of 1986, as amended".

(5) Notes may be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, International Securities Identification Number (ISIN), CUSIP and CINS numbers and PORTAL symbol (if any) for each Series of Notes will be set out in the relevant Supplement.

(6) From the date of this Programme Memorandum and for so long as the Programme remains in effect or any Notes remain outstanding (in relation to the documents referred to in sub-paragraphs (i) to (iii) below) or for a period of 14 days from date of the listing particulars relating to the relevant Series of Notes (in relation to the documents referred to in sub-paragraphs (iv)-(vi) below), the following documents will be available, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at the specified offices of the Issuer, the Trustee, the Agent, the Paying Agent in Ireland and the Irish Listing Agent (and copies of the documents specified in sub-paragraphs (iii) and (iv) below may be obtained free of charge from the specified office of the Paying Agent in Ireland):

(i) the Memorandum and Articles of Association of the Issuer;

(ii) the Additional Agreements;

(iii) this Programme Memorandum;

(iv) any Supplement;

(v) the Constituting Instrument relating to each Series of Notes and each document incorporated by reference into such Constituting Instrument; and

(vi) such other documents (if any) as may be required by any stock exchange on which any Note is at the relevant time listed.

(7) The Issuer is a company incorporated under the laws of the Netherlands. The managing director of the Issuer is a resident outside of the United States, and all or a substantial portion of the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or to enforce against the Issuer in the Netherlands courts judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.

(8) So long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of Notes that are restricted securities, or to any prospective purchaser of Notes that are restricted securities designated by a

holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

REGISTERED OFFICE OF THE ISSUER

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ISSUE AGENT, REGISTRAR, PRINCIPAL PAYING AGENT AND CUSTODIAN

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