

PROSPECTUS

XELO II PUBLIC LIMITED COMPANY

(A public company incorporated with limited liability in Ireland)

Series 2006 (Retriever 2)

USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013

This document (the “**Prospectus**”) has been prepared for the purpose of giving information about the issue of the Series 2006 (Retriever 2) USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013 of XELO II Public Limited Company (the “**Notes**”).

This document is issued in conjunction with, and incorporates by reference the contents of, the Base Prospectus dated 01 August 2006 (the “**Base Prospectus**”) in relation to the USD 5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”) of XELO II Public Limited Company (the “**Issuer**”), and will, subject to its being approved by the Irish Financial Services Regulatory Authority (“**IFSR**A”) in its capacity as the competent authority in Ireland (the “**Competent Authority**”) in accordance with the requirements of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (the “**Irish Prospectus Regulations**”) and Directive 2003/71/EC (the “**Prospectus Directive**”), constitute a Prospectus issued in compliance with the Prospectus Directive and relevant laws in Ireland. Unless the context otherwise requires, terms defined in the Base Prospectus or for the purposes of the Terms and Conditions of the Notes have the same meanings when used in this Prospectus.

The date of this Prospectus is 12 September 2006

Arranger

BARCLAYS BANK PLC

The Issuer accepts responsibility for the information contained in this Prospectus (except in relation to the information under the heading “Information concerning the Swap Counterparty” (the “**Barclays Information**”), for which Barclays Bank PLC takes sole responsibility. To the best of the knowledge and belief of the Issuer (and in the case of the Barclays Information, Barclays Bank PLC (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. The delivery of this Prospectus 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 Prospectus 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, the Arranger or the Trustee. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

This Prospectus contains summaries of certain provisions of, or extracts from, the Constituting Instrument executed in relation to the Notes and the documents and agreements referred therein. Such summaries and extracts are subject to, and are qualified in their entirety by, the actual provisions of such documents and agreements, copies of which are annexed hereto or available for inspection at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Principal Paying Agent and the specified office of the Irish Paying Agent. Holders of the Notes to which this Prospectus relates, and any other person into whose possession this Prospectus comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of such Notes.

Application has been made to IFSRA, as competent authority under Directive 2003/71/EC, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange Limited (the “**Irish Stock Exchange**”) for the Notes to be admitted to the Official List and trading on its regulated market. However, the Notes will not be so listed or admitted to trading on the Issue Date and no assurance is given that such listing or admission to trading will be obtained thereafter.

A copy of this Prospectus, if and when approved by the Competent Authority, will be filed with the Companies Registration Office in accordance with Regulation 38(1)(b) of the Irish Prospectus Regulations.

THE NOTES 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**”). 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).

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, 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 organized or administered, and such purchaser or holder is not using the assets of any such plan to acquire the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus is incorporated in, and shall be taken to form part of, this Prospectus.

This document must be read and construed in conjunction with such document and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

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RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which any prospective purchaser of Notes should be aware, but it is not intended to be exhaustive and any prospective purchasers of Notes should also read the detailed information set out elsewhere in this document and the other documents relating to the Notes and take their own tax, legal and other relevant advice as to the advisability, structure and viability of their investment. In particular, the attention of prospective purchasers of Notes is drawn to “Investor Suitability” and “Risk Factors” in the Base Prospectus.

General

Credit Considerations

Prospective purchasers of Notes should take into account, when making a decision as to whether or not to invest in the Notes, that the timing of redemption of the Notes, the amount due to be paid upon redemption of the Notes and the timing and the amount of any interest and principal due on the Notes is dependent on the performance of the Charged Agreement.

Security

There can be no assurance that the amount payable on any early redemption or enforcement of the security for the Notes will be equal to the Issue Price or the outstanding Principal Amount of the Notes. Any shortfall in payments due to the Noteholders will be borne in accordance with the Priority of Payments specified in Paragraph 4 of “Conditions of the Notes”, and any claims of the Noteholders remaining after a mandatory redemption of the Notes or a realisation of the security and application of the proceeds as aforesaid shall be extinguished. None of the Programme Parties or the obligors under the Collateral (other than the Issuer) has any obligation to any Noteholder for payment of any amount owing by the Issuer in respect of the Notes.

Expenses

All payments of anticipated costs and expenses of the Issuer in connection with the issue of Notes have been, or will be, met by payments made to the Issuer under the Charged Agreement and pending disbursement such payments received by the Issuer under the Charged Agreement will be held in one or more of the Issuer Expense Accounts. Noteholders will have no entitlement or recourse to any amounts standing to the credit of the Issuer Expense Accounts and any claims of the Noteholders remaining after the application of the proceeds of the security for the Notes will not be met out of amounts standing to the credit of the Issuer Expense Accounts. 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.

Exposure to Barclays Bank PLC

Barclays Bank PLC as Swap Counterparty is required to post on the Issue Date (and thereafter maintain) with the Issuer eligible credit support under the Charged Agreement in order to collateralise its final payment obligation to the Issuer under the Charged Agreement. If the Swap Counterparty is a defaulting party under the Charged Agreement, however, and has not posted additional eligible credit support or the posted credit support has diminished in value due to market volatility, the proceeds thereof may be insufficient to repay the outstanding principal amount of the Notes and to pay any outstanding interest thereunder.

No Secondary Market

There is no secondary market for the Notes and 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, any of its affiliates or any other party 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.

The Notes as Credit-Linked Notes

Exposure to Reference Entities

The Notes do not represent a claim against any Reference Entity (as defined in the Charged Agreement) and, in the event of any loss, Noteholders will not have recourse under the Notes to any Reference Entity. However, Noteholders will be exposed to the credit risk of each Reference Entity and each Reference Obligation (as defined in the Charged Agreement). The likelihood of a Credit Event (as defined in the Charged Agreement) occurring in respect of a Reference Entity will generally fluctuate with, among other things, the financial condition of the Reference Entities, together with general economic conditions, the conditions of certain financial markets, political events, developments or trends in particular industries and changes in prevailing market rates.

Volatility

Even without any actual loss of principal, the market value of the Notes (whether indicative or firm) will vary over time, and may be less than the Issue Price on the Issue Date and thereafter may be significantly less than par (or even zero) in certain circumstances. Generally, the market value is inversely related to the credit spreads of the Reference Entities comprising the Reference Portfolio (as defined in the Charged Agreement). As underlying credit spreads widen, the market value of the Notes will decline.

Risk of Loss

Noteholders bear the risk of loss in relation to the Reference Portfolio (as defined in the Charged Agreement) beginning on the Effective Date. If a Credit Event (as defined in the Charged Agreement) occurs, the Principal Amount of the Notes may be reduced (in the manner described in the Notes) by the loss in respect of the affected Reference Obligation. If the Principal Amount of the Notes is reduced, Noteholders will receive on redemption less than their initial investment. In addition, the amount of interest payments will be adversely affected.

No Obligation to Make Good on Losses

Neither the Issuer nor any of the Programme Parties guarantees the performance of or otherwise stands behind any Reference Entity or Reference Obligation and is not obligated to make good on any losses suffered by Noteholders as a result of Credit Events with respect to any Reference Entity or any Reference Obligation or otherwise.

Synthetic Exposure

The Reference Portfolio is synthetic. The Issuer does not own any of the Reference Obligations and the Swap Counterparty is not obligated to own any Reference Obligation or have any credit exposure to any Reference Entity. The Issuer and the Swap Counterparty need not suffer any loss in order for a Credit Event (as defined in the Charged Agreement) to exist.

Replacement of Reference Obligations

The Swap Counterparty will be entitled to propose the replacement of any Reference Obligation in the Reference Portfolio, and replacements will be made, in accordance with the detailed provisions set out in paragraph 27(A) (Additional Provisions – *Replacement of Reference Obligations*) of the Terms of the Notes. In particular, prospective investors should note that a replacement of a Reference Obligation will only be made following a proposal in relation thereto by the Swap Counterparty if 100 per cent. of the Noteholders and 100 per cent. of the noteholders of each Connected Series of Notes make an identical election in relation to such proposal (as more particularly set out in paragraph 27(A) of the Terms of the Notes).

Furthermore, as more particularly set out in the definition of “Reference Obligations” in the Confirmation in respect of the Charged Agreement, if at any time the aggregate principal amount of a Reference Obligation in respect of which the Portfolio Management Group of Barclays Capital is the lender of record is less than the Reference Obligation Notional Amount with respect thereto, the Swap Counterparty will be entitled unilaterally to specify one or more alternative Loans of the relevant Reference Entity as replacement Reference Obligations. Any such replacement will not require the consent or approval of the Noteholders, the Connected Noteholders, the Issuer, the Trustee or any other person.

Election for Settlement Method

The Noteholders will be given the right to elect that any Credit Event will be settled either by Cash Settlement or by Recovery Amount Settlement (each as defined in the Charged Agreement).

If on or prior to the Settlement Method Election Cut-off Date (i) 100 per cent. of the Noteholders and the Connected Noteholders elect for Cash Settlement to apply or (ii) fewer than 100 per cent. of the Noteholders and the Connected Noteholders make an election for Recovery Amount Settlement on or prior to the Settlement Method Election Cut-off Date, then, for the purposes of the Charged Agreement and the charged agreement in respect of each Connected Series of Notes, the relevant Credit Event will be settled by Cash Settlement

If on or prior to the Settlement Method Election Cut-off Date 100 per cent. of the Noteholders and the Connected Noteholders elect for Recovery Amount Settlement to apply, then the relevant Credit Event will be settled by Recovery Amount Settlement.

Reliance on Performance of Servicer Effectively to Service the Reference Obligations

If Recovery Amount Settlement is elected, Recovery Amounts in respect of the relevant defaulted Reference Obligations will affect the quantum of the Protection Loss Amount and the Funding Loss Amount under the Charged Agreement, and hence the quantum of the Adjusted Protection Notional Amount payable by the Swap Counterparty to the Issuer upon termination of the Charged Agreement, the Periodic Payments by the Swap Counterparty to the Issuer under the Charged Agreement, the Scheduled Redemption Amount of the Notes and the Interest Amounts payable under the Notes. The quantum of any Recovery Amounts will be dependent on the servicing procedures operated by the servicer of the relevant Reference Obligations to service such Reference Obligations and maximise Recovery Amounts.

Limited Provision of Information about the Reference Entities, the Reference Obligations and the Reference Portfolio

None of the Issuer the Trustee or the Noteholders will have the right to obtain information as to the specific identity of any Reference Entities or Reference Obligations from time to time designated in the Reference Portfolio or to receive data or information regarding any particular Reference Entity or Reference Obligation. Nor will any party be obligated to provide to Noteholders any information regarding compliance of the Reference Portfolio with the Reference Portfolio Guidelines or regarding any other matters arising in relation to any Reference Entity or Reference Obligation. None of the Issuer, the Trustee or the Noteholders will have the right to inspect any records of the Swap Counterparty and the Swap Counterparty will be under no obligation to disclose any information regarding any Reference Entity or Reference Obligation or any matters arising in relation thereto or otherwise regarding any Reference Entity or Reference Obligation, any guarantor or any other person further to the information set out in the Reference Portfolio Annex to the Confirmation in respect of the Charged Agreement.

Leverage

The Notes represent a highly leveraged investment. The use of leverage is a speculative investment technique to enhance returns. However, leverage also will magnify the adverse impact of Credit Events in relation to the Reference Portfolio.

Default Rates

Reliable sources of statistical information may not exist with respect to the defaults for all types of assets comprising the Reference Portfolio. In addition, there is limited historical data regarding the performance of the Reference Portfolio. In any event, past performance is not indicative of future performance. Actual default rates may exceed historical default rates in respect of the Reference Portfolio.

Swap Counterparty Discretion

The Swap Counterparty will be entitled to determine in its sole and absolute discretion when and whether to deliver a Credit Event Notice, and any delay or forbearance in delivering any such notice following the occurrence of any event or condition permitting the same is not and shall not be construed as a waiver of any such right and shall not affect the right of Swap Counterparty to give any such notice at any time thereafter.

Early Redemption at the Option of the Swap Counterparty

If on any date on or after the second anniversary of the Issue Date the Reference Portfolio Notional Amount is less than 80 per cent. of the Reference Portfolio Notional Amount as of the Issue Date, or if on any date the Reference Portfolio Notional Amount is less than 10 per cent. of the Reference Portfolio Notional Amount as of the Issue Date, then the Swap Counterparty may elect that the Charged Agreement terminate on a date designated by it, and upon such election the Maturity Date of the Notes shall be the termination date of the Charged Agreement.

Independent Review and Advice

Each prospective purchaser of Notes is responsible for its own independent appraisal of and investigation into the risks in respect of the Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

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 such Notes including any credit risk associated with the Reference Entities and the Issuer. None of the Issuer or any of the Programme Parties 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. See also the section entitled "Investor Suitability" in the Base Prospectus.

Although the Swap Counterparty and/or its affiliates may have entered into and may from time to time enter into business transactions with Reference Entities, the Swap Counterparty and/or its affiliates at any time may or may not hold obligations of or have any business relationship with any particular Reference Entity.

No Representations

None of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to, any Reference Entity (including, without limitation, with regard to its financial condition or creditworthiness) or any Reference Obligation.

In particular, none of the Issuer, any of the Programme Parties or any of their respective affiliates will have made any investigation of, or makes any representation or warranty, express or implied, as to:

- (1) the existence or financial or other condition of any Reference Entity; or
- (2) whether the relevant Obligations (as defined in the Charged Agreement) and relevant Reference Obligations constitute legal, valid and binding obligations of the Reference Entity.

Conflicts of Interest

The Issuer, the Programme Parties and any of their respective affiliates may deal in any obligation, including any Reference Obligation, and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Reference Entity, its affiliates, any other person or entity having obligations relating to a Reference Entity or its affiliates and may act with respect to such business in the same manner as if any Notes issued hereunder did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might give rise to a Credit Event) on a Reference Entity and/or its affiliates. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and some or all of the Issuer, the Programme Parties and any of their respective affiliates, on the other hand. None of the Issuer, the Programme Parties nor any of their respective affiliates is required to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders. In particular, the interests of the Swap Counterparty may be adverse to those of the Noteholders. The terms of the Notes and the Charged Agreement provide the Swap Counterparty and the Calculation Agent with certain discretions which it may exercise without any regard for the interests of the Noteholders.

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 Reference Entity or any Reference Obligation or of the Swap Counterparty or the terms of the Charged Agreement.

None of such parties makes any representation or warranty, express or implied, as to any of such matters nor as to the legal, valid and binding effect of the terms of the Charged Agreement.

Provision of Information

The Issuer, the Programme Parties and any of their respective affiliates, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any Reference Entity, any affiliate of a Reference Entity or any guarantor or any Reference Obligation that is or may be material in the context of these Notes and that may or may not be publicly available or known. The Notes will not create any obligation on the part of any of the Issuer, the Programme Parties and any of their respective affiliates to disclose any such relationship or information (whether or not confidential). None of the Issuer, the Programme Parties or any of their respective affiliates makes any representation as to the credit quality of any Reference Entity or Reference Obligation. The information contained herein in relation to the Reference Entities and Reference Obligations is contained in Annex I to the Form of Confirmation set out in Annex 1 hereto and in the section hereof entitled "The Reference Portfolio". While the Issuer accepts responsibility for correctly reproducing the information contained in Annex 1 from such Confirmation, no other responsibility in respect thereof is accepted. In particular, none of the Issuer and the Programme Parties or any of their respective affiliates or any other person has verified the information relating to the Reference Entities or Reference Obligations contained in Annex 1 or in any of the documents made available for inspection by the Noteholders and, accordingly, none of them makes any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Legal Opinions

Whilst legal opinions relating to the issue of the Notes will be obtained by the Arranger, the Dealer and the Trustee with respect to English law and the law of the jurisdiction of incorporation of the Issuer, it is not intended that legal opinions be obtained with respect to the laws governing any Reference Obligation or the laws of the jurisdiction of incorporation of a Reference Entity in the context of the validity, enforceability or binding nature of the relevant Reference Obligation as against the relevant Reference Entity.

CONDITIONS OF THE NOTES

Series 2006 (Retriever 2) USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013

The Terms and Conditions of the Notes designated as above (the “**Notes**”) shall be the Master Conditions as completed, modified and amended by the terms set out below (the “**Terms**”). The Master Conditions are set out in the Base Prospectus relating to the XELO II Public Limited Company USD5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”). Unless the context otherwise requires, terms defined in the Master Conditions or in the Charged Agreement (as defined below) shall have the same meanings when used in these terms.

1.
 - (i) Issuer: XELO II Public Limited Company.
 - (ii) Arranger and Dealer: Barclays Bank PLC.
 - (iii) Swap Counterparty: Barclays Bank PLC.
 - (iv) Trustee: J.P. Morgan Corporate Trustee Services Limited.
 - (v) Issue Agent and Principal Paying Agent: JPMorgan Chase Bank, N.A.
 - (vi) Paying Agent and Irish Listing Agent: J.P. Morgan Bank (Ireland) plc.
 - (vii) Custodian: JPMorgan Chase Bank, N.A.
 - (viii) Interest Calculation Agent: Not Applicable.
 - (ix) Common Depositary: JPMorgan Chase Bank, N.A.
 - (x) Determination Agent: Not Applicable.
2.
 - (i) Series Number: 2006 (Retriever 2).
 - (ii) Specified Currency: United States Dollars (“**USD**”).
3. Principal Amount: As at the Issue Date, USD 16,750,000 (the “**Initial Principal Amount**”). Following the Issue Date, the Principal Amount shall be reduced (without any repayment) or increased at the same time and by the same amount as the Adjusted Protection Notional Amount (as defined in the Charged Agreement) is reduced or increased pursuant to the Charged Agreement, provided that the Principal Amount shall not be reduced to less than zero and shall not be increased to greater than USD 16,750,000.

Noteholders should note the definition of “Adjusted Protection Notional Amount” in

Paragraph 1 of the Confirmation (as defined below), which is contained as Annex 1 to this Prospectus.

If on any day the Principal Amount is irreversibly reduced to zero and no Adjusted Protection Notional Amount (as defined in the Charged Agreement) then may be due or remains to be determined, the Issuer shall be deemed to have redeemed all of the Notes (without any repayment), and all claims in respect of the Notes shall be extinguished for all purposes. If on any day the Principal Amount is reduced to zero and an Adjusted Protection Notional Amount then may be due or remains to be determined, then, upon payment of such Adjusted Protection Notional Amount or reduction of such Adjusted Protection Notional Amount (without repayment), all claims in respect of the Notes shall be extinguished for all purposes.

4. Status:

The Notes are secured and limited recourse obligations of the Issuer ranking *pari passu* and rateably without preference among themselves, recourse in respect of which is limited in the manner described in the Conditions. The Notes are secured in the manner described in Condition 4 and Paragraph 11 (Security) below and are subject to the priority set out below.

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 Trust Deed, in each case in respect of the Notes, the net proceeds of the enforcement of the security constituted pursuant to the Trust Deed will be applied:

- (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.
5.	Issue Price:	100 per cent.
	Net Proceeds:	USD 16,733,188 (after deduction of the Arranger's commission in the amount of USD 16,812).
6.	Authorised Denomination:	USD 250,000.
7.	Issue Date:	25 August 2006.
8.	Maturity Date:	The Termination Date of the Charged Agreement (as defined therein).
9.	Charged Assets:	There are no Charged Assets.
10.	Charged Agreement:	The International Swaps and Derivatives Association, Inc. (" ISDA ") 1992 form of Master Agreement (Multicurrency – Cross Border) and a schedule thereto dated the date of the Constituting Instrument between the Swap Counterparty and the Issuer; as supplemented by (i) a confirmation of a swap transaction entered into between the Swap Counterparty and the Issuer, with an effective date of 25 August 2006 (the " Confirmation ") and (ii) the ISDA 1995 form of Credit Support Annex (Bilateral Form-Transfer).
11.	Security:	As set out in Condition 4(a), save that there will be no (i) Charged Assets or (ii) Charged Assets Sale Agreement (and accordingly no security granted thereover).
12.	Provisions Relating to Interest Payable on the Notes:	The Issuer shall pay in respect of each Note and each Interest Period an amount equal to the Interest Amount on the relevant Interest Payment Date. Interest Amounts shall accrue from the Interest Commencement Date and shall cease to accrue on the Maturity Date or such earlier date on which the Notes may be redeemed. The Issuer shall also pay in respect of each Note any Additional Amounts.
	(i)	Interest Commencement Date: Issue Date.
	(ii)	Interest Periods: Each Buyer Calculation Period (as defined in the Charged Agreement).
	(iii)	Interest Payment Dates: Each Buyer Period End Date (as defined in the Charged Agreement).

- (iv) Interest Amounts: In respect of each Interest Payment Date and each Note, such Note's *pro rata* share (rounded down to the nearest cent) of an amount equal to the sum of (1) the Protection Payment Amount and (2) the Funding Payment Amount payable in respect of the Buyer Period End Date (in each case, as defined in the Charged Agreement) that corresponds to such Interest Payment Date.
- (v) Additional Amounts: In addition, the Issuer shall pay in respect of each Note on the Business Day following each Spread Shortfall Payment Date (as defined in the Charged Agreement) such Note's *pro rata* share (rounded down to the nearest cent) of an amount equal to the sum of the relevant Spread Shortfall Amount and Spread Shortfall Interest Amount (each as defined in the Charged Agreement), if any, payable on such Spread Shortfall Payment Date.
- For the avoidance of doubt, the provisions of this Paragraph 12 are deemed to amend and supplement Condition 6 and, to the extent of any conflict between the provisions of this Paragraph 12 and Condition 6, the provisions of this Paragraph 12 shall prevail.
13. Notes issued in bearer or registered form: Bearer Notes. The Notes shall be a non-U.S. Series.
14. Whether Notes will be C Notes or D Notes: The Notes shall be D Notes and, accordingly, the Notes shall be represented on issue by a Temporary Global Note.
15. Provisions for exchange of Temporary Global Note: The Temporary Global Note shall be exchangeable for a Permanent Global Note on or after 40 days from the Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of such Temporary Global Note) upon certification as to non-U.S. beneficial ownership.
16. Provisions for exchange of Permanent Global Note: The Permanent Global Note shall be exchangeable for definitive bearer Notes in the limited circumstances set out in Condition 1(a)(1).
17. Talons to be attached to the Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon: No.
18. Listing: Application has been made to the Irish Stock Exchange Limited (the "**Irish Stock Exchange**")

for the Notes to be admitted to the Official List and trading on its regulated market. However, the Notes will not be so listed or admitted to trading on the Issue Date and no assurance is given that such listing or admission to trading will be obtained thereafter.

19. Rating: None.
20. Business Days: London and New York. In these Terms and for the purposes of the Conditions, references to “**Business Days**” shall (except where specified otherwise) be construed as references to days which are London and New York Business Days.
21. Call/Put Option: Not Applicable.
22. Scheduled Redemption Amount: The Notes are Credit-Linked Notes. Unless earlier redeemed as a result of reductions in the Adjusted Protection Notional Amount as provided in Paragraph 3 above, each Note will be redeemed by payment of the following amounts:
- (i) on the Scheduled Termination Date (as defined in the Charged Agreement) or, if such date is not a Business Day, on the following Business Day, an amount equal to such Note’s *pro rata* share (rounded down to the nearest cent) of the Adjusted Protection Notional Amount on such date;
 - (ii) on the Deferred Settlement Date (as defined in the Charged Agreement), if any, an amount equal to such Note’s *pro rata* share (rounded down to the nearest cent) of the Adjusted Protection Notional Amount on such day, if any, *plus* interest accrued on such amount at the Swap Counterparty’s overnight deposit rate for USD deposits in the amount of the Adjusted Protection Notional Amount, from (and including) the Scheduled Termination Date to (but excluding) the Deferred Settlement Date, as determined by the Calculation Agent under the Charged Agreement; and
 - (iii) on the Scheduled Termination Date or, if applicable, the Deferred Settlement Date, an amount equal to such Note’s *pro rata* share (rounded down to the nearest cent.) of the Notional Reserve

Account Balance (as defined in the Charged Agreement) on such date (after taking account all adjustments thereto on or prior to such date).

If the payment of each Note's *pro rata* share of the Adjusted Protection Notional Amount on the Scheduled Termination Date is postponed solely due to the Scheduled Termination Date not being a Business Day, interest on the amount payable on the Scheduled Termination Date shall accrue from (and including) the Scheduled Termination Date to (but excluding) the following Business Day at the Swap Counterparty's overnight deposit rate for USD deposits in the amount of the Adjusted Protection Notional Amount, as determined by the Calculation Agent under the Charged Agreement, and shall be payable on such following Business Day.

- | | | |
|-----|---|---|
| 23. | Settlement Procedures: | Not applicable. |
| 24. | ISIN: | XS0264943381. |
| 25. | Common Code: | 026494338. |
| 26. | Consideration for initial Charged Assets: | Not applicable. |
| 27. | Additional Provisions: | <i>(A) Replacement of Reference Obligations</i> |

The Swap Counterparty may, by delivery of a notice (a "**Replacement Notice**") to the Issuer and each Noteholder (including any Noteholder Representative (as defined below) appointed by a Noteholder) on any Business Day during the Replacement Notice Delivery Period (the date of delivery of such notice, the "**Replacement Notice Delivery Date**"), propose the replacement of a Reference Obligation in the Reference Portfolio in respect of the Charged Agreement in whole or in part by a Reference Obligation of a different Reference Entity (which may or may not already constitute a Reference Entity under the Charged Agreement).

A Replacement Notice may only be delivered by the Swap Counterparty in respect of the Notes or any Connected Series of Notes if the Swap Counterparty also delivers a replacement notice on identical terms to the issuer and Connected Noteholders of each Connected Series of Notes on the Replacement Notice Delivery Date.

Each Replacement Notice must specify:

- (a) the relevant reference number, as set out in the Reference Portfolio Annex of the Charged Agreement, of the Reference Obligation and the portion of the Reference Obligation Notional Amount relating thereto which is proposed be replaced (the “**Substituted Reference Obligation**” and the “**Substituted Notional Amount**”, respectively);
- (b) all the categories of information, as set out in the Reference Portfolio Annex of the Charged Agreement, that correspond to one or more Reference Obligations from which the Noteholders may choose one or more to be added in place of the Substituted Reference Obligation (each, a “**Proposed Reference Obligation**”);
- (c) with respect to each Proposed Reference Obligation, a corresponding notional amount (each, a “**Proposed Notional Amount**”) such that (i) each Proposed Notional Amount shall be less than or equal to the Substituted Notional Amount, (ii) the aggregate of the Proposed Notional Amounts is at least equal to the product of (1) two and (2) the Substituted Notional Amount (such amount, the “**Proposed Notional Aggregate Required Amount**” and (iii) the sum of the Proposed Notional Amounts corresponding to Proposed Reference Obligations, the Reference Entity with respect to which is in any Barclays Industry Classification other than that to which the Reference Entity with respect to the Substituted Reference Obligation belongs, is no more than one third of the Proposed Notional Aggregate Required Amount; and
- (d) the effective date of the proposed substitution (the “**Substitution Date**”).

Upon delivery of a Replacement Notice each Noteholder may, by delivery of a notice to the Issuer and the Swap Counterparty on or prior to the later of (i) the Business Day next following the Replacement Notice Delivery Date and (ii) the Business Day preceding the Substitution

Date (the “**Reference Obligation Election Cut-off Date**”), select, on the basis of the categories of information provided, which will correspond with the categories of information set out in the Reference Portfolio Annex of the Charged Agreement, from among the Proposed Reference Obligations those which it elects shall be included in the Reference Portfolio in place of the Substituted Reference Obligation (each, a “**Substitute Reference Obligation**”), together with the Reference Obligation Notional Amounts corresponding thereto, provided that:

- (a) the sum of such Reference Obligation Notional Amounts shall be equal to or lower than the Substituted Notional Amount (the “**Substitute Notional Amount**”); and
- (b) each Reference Obligation Notional Amount shall be equal to its corresponding Proposed Notional Amount, provided that the Reference Obligation Notional Amount with respect to one of the elected Substitute Reference Obligations may be less than its Proposed Notional Amount, to the extent necessary in order to allow paragraph (a) to be satisfied,

(such election(s) by a Noteholder, a “**Noteholder Reference Obligation Election**”).

In making an election as to either:

- (i) the replacement of Reference Obligations in accordance with this paragraph 27(A); or
- (ii) the Settlement Method applicable to any Reference Obligation in accordance with paragraph 27(B) below,

Noteholders must provide evidence satisfactory to the Swap Counterparty of such Noteholder’s holding of Notes.

In the event that such election is made by a Noteholder Representative on behalf of a Noteholder, in addition to providing such evidence of such Noteholder’s holding of Notes, that Noteholder Representative must provide evidence satisfactory to the Swap Counterparty of its authority to act on behalf of such Noteholder.

If on the specified Substitution Date the Replacement Conditions are satisfied then:

- (a) if on or prior to the Reference Obligation Election Cut-off Date 100 per cent. of the Noteholders and the Connected Noteholders make the same Noteholder Reference Obligation Election (and such that the Substitute Notional Amount is equal to the Substituted Notional Amount), then as of such Substitution Date the Substituted Reference Obligation shall be replaced by the Substitute Reference Obligation or Substitute Reference Obligations, in each case to the extent of the Reference Obligation Notional Amount specified in the relevant Noteholder Reference Obligation Election; or
- (b) if 100 per cent. of the Noteholders and the Connected Noteholders do not make a Noteholder Reference Obligation Election on or prior to the Reference Obligation Election Cut-off Date or do not make the same Noteholder Reference Obligation Election (or make the same Noteholder Reference Obligation Election but the Substitute Notional Amount is less than the Substituted Notional Amount (such difference, a “**Substituted Notional Deficit Amount**”)) on or prior to such date then, with effect from the Substitution Date:
 - (i) the Substituted Reference Obligation shall be removed from the Reference Portfolio Annex to the extent of the Substituted Notional Amount and, if 100 per cent. of the Noteholders and the Connected Noteholders make the same Noteholder Reference Obligation Election, the Substitute Reference Obligation or Substitute Reference Obligations shall be added to the Reference Portfolio Annex in replacement thereof, in each case to extent of the Reference Obligation Notional Amount specified in the relevant Noteholder Reference Obligation

Election; and

- (ii) the Tranche Spread Reference Portfolio Notional Amount of the Charged Agreement shall be reduced by the Substituted Notional Amount or, if applicable, the Substituted Notional Deficit Amount and the Tranche Spread of the Charged Agreement shall be reduced accordingly in accordance with the provisions thereof.

If on the specified Substitution Date the Replacement Conditions are not satisfied then:

- (a) if on or prior to the Reference Obligation Election Cut-off Date 100 per cent. of the Noteholders and the Connected Noteholders make the same Noteholder Reference Obligation Election for the purposes of each Connected Series of Notes then as of such Substitution Date the Substituted Reference Obligation shall be replaced by the Substitute Reference Obligation or Obligations, in each case to the extent of the Reference Obligation Notional Amount specified in the relevant Noteholder Reference Obligation Election; or
- (b) if 100 per cent. of the Noteholders and the Connected Noteholders do not make a Noteholder Reference Obligation Election on or prior to the Reference Obligation Election Cut-off Date or do not make the same Noteholder Reference Obligation Election for purposes of each Connected Series of Notes on or prior to such date then the Reference Portfolio shall remain unchanged and, for the avoidance of doubt, the Tranche Spread Portfolio Notional Amount shall not be reduced.

The “**Replacement Conditions**” will be satisfied on a Substitution Date if:

- (a) the aggregate of the Reference Obligation Notional Amounts with respect to the Reference Entity relating to the Substituted Reference Obligation (prior to giving effect to the relevant replacement) is greater than the

Reference Entity Exposure Amount with respect to that Reference Entity or Reference Obligation, as determined by the calculation agent under the Charged Agreement (the “**Swap Calculation Agent**”);

- (b) each Substitute Reference Obligation complies with the Substitute Reference Obligation Condition and the Reference Portfolio will, after giving effect to all such replacements, comply with the Reference Portfolio Guidelines (or, if the Reference Portfolio is not in compliance with the Reference Portfolio Guidelines on the Substitution Date, giving effect to all replacements will not increase the extent of such non-compliance); and
- (c) no Event of Default with respect to the Notes, Event of Default (as defined in the Charged Agreement) or Termination Event (as defined in the Charged Agreement) has occurred and is continuing on the Substitution Date.

The “**Substitute Reference Obligation Condition**” will be satisfied if the Substitute Reference Obligation shall have the same or better Barclays internal credit rating (the “**Barclays Internal Credit Rating**”) as the Substituted Reference Obligation.

(B) Election for Settlement Method

On the Indicative Quotation Date (as defined in the Charged Agreement) in respect of a Credit Event that has occurred in respect of a Reference Entity under the Charged Agreement, the Swap Calculation Agent shall deliver a notice (an “**Indicative Quotation Notice**”, and the date of delivery of such notice the “**Indicative Quotation Notice Delivery Date**”) to the Issuer, the Swap Counterparty and each Noteholder (including any Noteholder Representative appointed by a Noteholder) and to the issuer and Connected Noteholders of each Connected Series of Notes specifying the Indicative Quotation (as defined in the Charged Agreement) in respect of the relevant Reference Obligation.

Upon delivery of a Indicative Quotation Notice each Noteholder may, by delivery of a notice to the Swap Calculation Agent, the Issuer and the

Swap Counterparty on or prior to the fifth Business Day following the Indicative Quotation Notice Delivery Date (the “**Settlement Method Election Cut-off Date**”), elect that the relevant Credit Event shall be settled either by Cash Settlement or by Recovery Amount Settlement (each as defined in the Charged Agreement) (the date of such notice, the “**Settlement Method Notification Date**” and, such election, a “**Settlement Method Election**”).

Either:

- (a) if on or prior to the Settlement Method Election Cut-off Date (i) 100 per cent. of the Noteholders and the Connected Noteholders elect for Cash Settlement to apply, or (ii) fewer than 100 per cent. of the Noteholders and the Connected Noteholders make an election for Recovery Amount Settlement or (iii) 100 per cent. of the Noteholders and the Connected Noteholders do not make a Settlement Method Election, in each case on or prior to the Settlement Method Election Cut-off Date, then, for the purposes of the Charged Agreement and the charged agreement in respect of each Connected Series of Notes, the relevant Credit Event shall be settled by Cash Settlement; or
- (b) if on or prior to the Settlement Method Election Cut-off Date 100 per cent. of the Noteholders and the Connected Noteholders elect for Recovery Amount Settlement to apply, then, for the purposes of the Charged Agreement and the charged agreement in respect of each Connected Series of Notes, the relevant Credit Event shall be settled by Recovery Amount Settlement.
- (C) *Appointment of Noteholder Representative*

Each Noteholder may, by delivery of a notice to the Issuer and the Swap Counterparty specifying the identity and contact details of the relevant person and evidence satisfactory to the Swap Counterparty as to the Noteholder’s holding of Notes, nominate a third party to receive Replacement Notices and Indicative Quotation Notices, and to make Noteholder Reference Obligation Elections and Settlement

Method Elections, on its behalf.

If such nominated person is satisfactory to the Swap Counterparty (as may be determined by the Swap Counterparty in its sole and absolute discretion), the Swap Counterparty shall be entitled to treat such person as the representative of such Noteholder (such Noteholder's "**Noteholder Representative**") and, until such time as it receives notice from the relevant Noteholder or Noteholder Representative that the appointment of such Noteholder Representative to act on behalf of such Noteholder has terminated, shall deliver a copy of any Replacement Notice or Indicative Quotation Notice to such Noteholder Representative on behalf of such Noteholder, and shall be entitled to treat any notice received from and/or election made by such Noteholder Representative as the notice or election of such Noteholder.

(D) Confidentiality Restrictions in Relation to the Reference Portfolio

None of the Issuer, the Trustee, the Noteholders or any third party will have the right to inspect any records of the Swap Counterparty and the Swap Counterparty will be under no obligation to disclose to any person any information regarding any Reference Entity or Reference Obligation, or any matters arising in relation thereto or otherwise regarding any Reference Entity or Reference Obligation, any guarantor or any other person, further to the information set out in the Reference Portfolio Annex to the Confirmation in respect of the Charged Agreement.

(E) Additional Definitions

"**Barclays Industry Classification**" has the meaning given to it in the Charged Agreement.

"**Connected Noteholder**" means a holder of a Connected Series of Notes.

"**Connected Series of Notes**" means each of:

- (a) the Series 2006 (Retriever 1) USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013 issued on the Issue Date by XELO Public Limited Company;

- (b) the Series 2006 (Retriever 3) USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013 issued on the Issue Date by XELO IV Public Limited Company; and
- (c) the Series 2006 (Retriever 4) USD 16,750,000 Secured Limited Recourse Credit-Linked Notes due 2013 issued on the Issue Date by XELO V Public Limited Company.

“Portfolio Management Group of Barclays Capital” means the Portfolio Management Group (and its successors) within the Global Credit Products business stream of Barclays Capital, the investment banking division of Barclays Bank PLC.

“Reference Entity Exposure Amount” means, with respect to a Reference Entity, the aggregate principal amount of Loans (as defined in the 2003 ISDA Credit Derivatives Definitions) in respect of which the Portfolio Management Group of Barclays Capital has a credit exposure to that Reference Entity (whether as lender, sub-participant or otherwise). Such exposure shall be determined on a net basis (by taking into account any credit hedging arrangements entered into by the Swap Counterparty with respect thereto in the form of sub-participations, credit derivative transactions or otherwise), as determined by the Swap Counterparty.

“Reference Portfolio Annex” means the reference portfolio annex to the Confirmation in respect of the Charged Agreement, as updated from time to time to reflect changes in the composition of the Reference Portfolio in accordance with paragraph 27(A) (Replacement of Reference Obligations) above and in accordance with Reference Obligation Replacement by Buyer pursuant to the terms of the Charged Agreement.

“Replacement Notice Delivery Period” means the period from and including the Issue Date to and including the day that falls 30 Business Days prior to the Scheduled Termination Date of the Charged Agreement.

28. Agent for service of process:

For the purposes of Condition 18 (Governing Law and Submission to Jurisdiction), the Issuer has appointed Simmlaw Services Limited at its

registered office at CityPoint, One Ropemaker Street, London EC2Y 9SS as its agent for service of any proceedings in England in relation to the Notes and the Constituting Instrument.

29. Credit Events: The occurrence of any Credit Events (as defined in the Charged Agreement) and all calculations, determinations and other steps required to be taken in connection therewith, in each case under or in respect of the Charged Agreement, are conclusive and binding on the Issuer, the Trustee, the Noteholders, the Principal Paying Agent, the Paying Agent and all other persons as and when they occur or they are made or taken under or in connection with the Charged Agreement pursuant to its terms, without further notice or determination hereunder.
30. Depositary Account: XE208.

TAX CONSIDERATIONS

Prospective investors should consult their own tax advisors on the possible tax consequences of the purchase, ownership and disposition of the Notes under the laws of their country of citizenship, residence or domicile.

Investors should consult their own tax advisors regarding whether the purchase of the Notes, either alone or in conjunction with an investor's other activities, may subject a holder to any state or local taxes based, for example, on an assertion that the investor is either "doing business" in, or deriving income from a source located in, any state or local jurisdiction. Additionally, potential investors should consider the state, local and other tax consequences of purchasing, owning or disposing of a Note. State and local tax laws may differ substantially from the corresponding federal tax law, and the foregoing discussion does not purport to describe any aspect of the tax laws of any state or other jurisdiction.

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. Neither the Issuer nor any other person will pay any additional amounts to the 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 by any Paying Agent.

SUBSCRIPTION AND SALE

General

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 Base Prospectus or any part thereof or any other offering material or this Prospectus, in any country or jurisdiction where action for that purpose is required.

The Arranger 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 Base Prospectus or any part thereof, any other offering material or this Prospectus in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Arranger shall have responsibility therefor.

United States

The Notes have not been and will not be registered under the Securities Act. Consequently, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act).

United Kingdom

The Arranger has agreed that:

- (i) in relation to 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 the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) 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.

European Economic Area

In relation to Notes which have a maturity of 12 months or more from their date of issue and which are not to be listed and admitted to trading on the regulated market of the Irish Stock Exchange (or other regulated market for the purposes of the Prospectus Directive) and have denominations of less than €50,000, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Arranger has represented and agreed, and each further Arranger appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Republic of Ireland

The Arranger has represented and agreed that:

- (i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity than with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any codes of conduct rules made under Section 37 thereof and the provisions of the Investor Compensation Act 1998;
- (ii) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 1999 (as amended) and any codes of conduct rules made under Section 117(1) thereof; and

- (iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Irish Financial Services Regulatory Authority pursuant thereto.

France

The Arranger has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, the Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in accordance with Articles L.411-1, L.411-2, D.411-1 and D.411-2 of the French Code *monétaire et financier*.

THE REFERENCE PORTFOLIO

Reference Portfolio Selection

The Reference Portfolio as at the Issue Date (the “**Initial Reference Portfolio**”) was selected by the Swap Counterparty exclusively from loans originated in the ordinary course of business of Barclays Bank PLC.

Further details in relation to the Initial Reference Portfolio are contained in the Reference Portfolio Annex as set out in the form of Credit Default Swap Confirmation in Annex 1 to this Prospectus. The Swap Counterparty will be under no obligation to disclose any further information regarding any Reference Entity or Reference Obligation, or any matters arising in relation thereto or otherwise regarding any Reference Entity or Reference Obligation, any guarantor or any other person.

Characteristics of the Initial Reference Portfolio

Certain characteristics of the Initial Reference Portfolio are set out below. The composition of the Reference Portfolio will vary over time (see paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes and “Reference Obligation Replacement by Buyer” in the Confirmation in respect of the Charged Agreement) and as a result, the characteristics of the Initial Reference Portfolio set out below are not necessarily indicative of the characteristics of the Reference Portfolio at any subsequent time.

Percentages in the tables set out below are rounded to one decimal place. This may give rise to rounding errors and consequently the sum of the percentages or amounts set out in a row or column (as applicable) of any table may not be exactly equal to 100 per cent. or the stated total.

Table 1: Distribution of Reference Obligations by Barclays Internal Credit Rating

The table set out below shows the distribution of the Initial Reference Portfolio by Barclays Internal Credit Rating by showing the sum of the Reference Obligation Notional Amounts of, and the percentage of the Reference Portfolio Notional Amount represented by, the Reference Obligation(s) assigned a particular Barclays Internal Credit Rating.

<i>Barclays Internal Credit Rating</i>	<i>Aggregate Reference Obligation Notional Amount (USD million)</i>	<i>Percentage of Reference Portfolio Notional Amount</i>	<i>Number of Reference Obligation(s)</i>	<i>Percentage of Reference Obligations</i>
2	89	4.0%	1	1.4%
3	93	4.2%	2	2.7%
4	65	2.9%	6	8.1%
5	1,225	55.0%	37	50.0%
6	230	10.3%	9	12.2%
7	301	13.5%	12	16.2%
8	169	7.6%	4	5.4%
10	20	0.9%	1	1.4%
12	36	1.6%	2	2.7%
Total	<u>2,226</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

Table 2: Distribution of Reference Obligations by Barclays Industry Classification

The table set out below shows the distribution of the Initial Reference Portfolio by Barclays Industry Classification by showing the sum of the Reference Obligation Notional Amounts of, and the percentage of the Reference Portfolio Notional Amount represented by, the Reference Obligation(s) in each Barclays Industry Classification.

<i>Barclays Industry Classification</i>	<i>Aggregate Reference Obligation Notional Amount (USD million)</i>	<i>Percentage of Reference Portfolio Notional Amount</i>	<i>Number of Reference Obligation(s)</i>	<i>Percentage of Reference Obligations</i>
Aerospace	61	3%	4	5.4%
Airline	11	1%	8	10.8%
Chemicals/Pharmaceuticals	94	4%	2	2.7%
Electronics	29	1%	2	2.7%
Energy	229	10%	5	6.8%
Food & Drink Manufacture / Retail	251	11%	8	10.8%
Forest Products	27	1%	1	1.4%
Healthcare	54	2%	2	2.7%
Infrastructure	51	2%	1	1.4%
Leisure	165	7%	3	4.1%
Manufacturing	121	5%	6	8.1%
Media	131	6%	5	6.8%
Mining & Metals	179	8%	6	8.1%
Other Financial Institutions	20	1%	2	2.7%
Retail	309	14%	7	9.5%
Services	98	4%	3	4.1%
Telecoms - Telecoms	36	2%	2	2.7%
Tobacco	177	8%	2	2.7%
Tourism / Hotels	26	1%	1	1.4%
Transport	157	7%	4	5.4%
Total	<u>2,226</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

Table 3: Distribution of Reference Obligations by Country of Incorporation of Obligor

The table set out below shows the distribution of the Initial Reference Portfolio by the country of incorporation by showing the sum of the Reference Obligation Notional Amounts of, and the percentage of the Reference Portfolio Notional Amount represented by, the Reference Obligations in respect of which the Reference Entity is incorporated in each country.

<i>Country of Incorporation</i>	<i>Aggregate Reference Obligation Notional Amount (USD million)</i>	<i>Percentage of Reference Portfolio Notional Amount</i>	<i>Number of Reference Obligation(s)</i>	<i>Percentage of Reference Obligations</i>
ABU DHABI	93	4%	1	1.4%
AUSTRALIA	67	3%	2	2.7%
AUSTRIA	27	1%	1	1.4%
BAHRAIN	19	1%	2	2.7%
BELGIUM	89	4%	1	1.4%
CANADA	74	3%	2	2.7%
DENMARK	94	4%	2	2.7%
FINLAND	42	2%	2	2.7%
FRANCE	233	10%	7	9.5%
GERMANY	92	4%	5	6.8%
ICELAND	54	2%	2	2.7%
JAPAN	79	4%	1	1.4%
LUXEMBOURG	93	4%	1	1.4%
NETHERLANDS	49	2%	2	2.7%
QATAR	11	1%	8	10.8%
SPAIN	66	3%	3	4.1%
SWEDEN	34	2%	1	1.4%
UNITED KINGDOM	843	38%	21	28.4%
UNITED STATES	167	7%	10	13.5%
Grand Total	<u>2,226</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

Table 4: Distribution of Reference Obligations by Year of Maturity

The table set out below shows the distribution of the Initial Reference Portfolio by the year of maturity by showing the sum of the Reference Obligation Notional Amounts of, and the percentage of the Reference Portfolio Notional Amount represented by, the Reference Obligations scheduled to be repaid in full in each year.

<i>Year of Maturity</i>	<i>Aggregate Reference Obligation Notional Amount (USD million)</i>	<i>Percentage of Reference Portfolio Notional Amount</i>	<i>Number of Reference Obligation(s)</i>	<i>Percentage of Reference Obligations</i>
2006	153	7%	5	6.8%
2007	126	6%	5	6.8%
2008	149	7%	6	8.1%
2009	166	7%	5	6.8%
2010	1,108	50%	32	43.2%
2011	225	10%	8	10.8%
2012	241	11%	7	9.5%
2013	49	2%	1	1.4%
2015	4	0%	4	5.4%
2016	4	0%	1	1.4%
Total	2,226	<u>100%</u>	<u>74</u>	<u>100%</u>

Table 5: Distribution of Reference Obligation Size Bucket

The table set out below shows the distribution of the Initial Reference Portfolio by showing the sum of the Reference Obligation Notional Amounts of, and the percentage of the Reference Portfolio Notional Amount represented by, Reference Obligations with a Reference Obligation Notional Amount in a given range (the “**Size Bucket**”).

<i>Size Bucket (USD (million))</i>	<i>Aggregate Reference Obligation Notional Amount (USD million)</i>	<i>Percentage of Reference Portfolio Notional Amount</i>	<i>Number of Reference Obligation(s)</i>	<i>Percentage of Reference Obligations</i>
Less than 10	57	3%	16	21.6%
10-20	228	10%	15	20.3%
20-30	362	16%	14	18.9%
30-40	338	15%	10	13.5%
40-50	367	16%	8	10.8%
50-60	109	5%	2	2.7%
60-70	68	3%	1	1.4%
70-80	154	7%	2	2.7%
80-90	174	8%	2	2.7%
90-100	370	17%	4	5.4%
Total	<u>2,226</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

Extension of Credit and Risk Management

Barclays Capital is a leading global investment bank which provides large corporate, institutional and governmental clients with solutions to their financing and risk management needs. Its lending activities have involved the development and use of advanced credit risk systems. These systems assist Barclays Capital in front-line credit decisions on new commitments and in managing the portfolio of existing exposures. They enable the application of consistent risk measurement across all credit exposures, retail and wholesale. Barclays Capital's approach is built on formal governance processes, relies on individual responsibility and collective oversight, uses advanced analyses, and is informed by comprehensive reporting.

Responsibility for risk resides at all levels of management, from the Board of Barclays Bank PLC down through the organisation to individuals in offices around the world. Each business manager is accountable for managing risk in his or her business area, assisted, where appropriate, by risk specialists. The credit risk management teams in each business are accountable to the Business Risk Directors in those businesses who, in turn, report to the heads of their businesses and also to the Risk Director. The Credit Risk function, led by the Credit Risk Director, provides Group-wide direction of credit risk-taking. This functional team manages the resolution of all significant credit policy issues and administers the Credit Committee which approves major credit decisions. The principal committees that review credit risk management are the Risk Oversight Committee and the Board Risk Committee. The Board Audit Committee reviews and approves impairment allowance decisions.

Risk Responsibilities

The principal responsibilities extend throughout the organisation as follows:

- The Board of Barclays Bank PLC requires that management maintains an appropriate system of internal control and reviews its effectiveness. The Board approves risk appetite and monitors the Group's risk profile against this appetite.
- Business leaders are responsible for the identification and management of risk in their businesses.
- The Risk Director, under delegated authority from the Group Chief Executive and Group Finance Director, has responsibility for ensuring effective risk management and control.
- Risk-Type Heads and their teams in Central Support are responsible for establishing a risk control framework and risk oversight.
- Business risk teams, each under the management of a Business Risk Director, are responsible for assisting business leaders in the identification and management of their business risk profiles and for implementing appropriate controls.
- Internal Audit is responsible for the independent review of risk management and the control environment.

Credit Risk Measurement

Barclays Capital assesses the credit quality of, and assigns an internal risk rating to, all borrowers and other counterparties, including retail customers. Each internal rating corresponds to the statistical probability of a customer in that rating class defaulting within the next 12 months. Multiple rating methodologies may be used to inform the rating decision on individual large credits. For smaller credits, a single source may suffice, such as a rating model result.

During 2005 Barclays Capital increased the available accuracy of its 12-grade internal rating scale for the wholesale parts of the bank. This was achieved by increasing the number of ratings across the same range to 21. The 12-grade rating scale has historically been mapped to long-term agency ratings. The new 21 default grades represent the best estimate of the level of credit risk for each counterparty based on current economic conditions, so a static link to long-term rating agency ratings is no longer used.

Loan Origination

Loan origination is handled in the ordinary course of business by specific departments within Barclays Capital, principally the Investment Banking Division and Loan Products. All applications are assessed for credit risk purposes by Global Financial Risk Management.

Servicing and Workout of Loans

In the ordinary course of business, servicing of loans is centralised within the Loan Operations Department. Any loans which proceed to work-out are in almost all instances managed by a specialised team within Global Financial Risk Management.

INFORMATION CONCERNING THE SWAP COUNTERPARTY

Barclays Bank PLC accepts sole responsibility for the following information. None of the Issuer, the Trustee or any of the other Programme Parties (other than Barclays Bank PLC) has verified, or accepts any liability whatsoever for the accuracy of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect of Barclays Bank PLC and the Group (as defined below).

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167, and has its debt securities listed on the London Stock Exchange PLC. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalisation.

The short term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch and the long-term obligations of Barclays Bank PLC are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch.

Based on the Group's unaudited financial information for the semi-annual period ended 30 June 2006, the Group had total assets of £986,375 million (2005: £850,388 million), total net loans and advances¹ of £317,427 million (2005: £272,348 million), total deposits² of £339,421 million (2005: £302,253 million), and total shareholders' equity of £25,790 million (2005: £22,050 million) (including minority interests of £1,608 million (2005: £200 million)). The profit before tax of the Group for the period ended 30 June 2006 was £3,700 million (2005: £2,690 million) after impairment charges on loans and advances and other credit provisions of £1,057 million (2005: £706 million). The financial information in this paragraph is extracted from the unaudited consolidated accounts of the Group for the half-year ended 30 June 2006.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

GENERAL INFORMATION

1. **Interests of Natural and Legal Persons Involved in the Issue**

Save as discussed in “Risk Factors” in the Base Prospectus and in this document, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

2. **Reasons for the Issue and Estimated Total Expenses**

Reasons for the Issue: The net proceeds of the issue of the Notes will be used by the Issuer on the Issue Date to satisfy its initial payment obligation under the Charged Agreement.

Estimated Total Expenses EUR 6,900.00.
related to the admission to
trading:

3. **Yield**

Details of the interest payable under the Notes are set out in Paragraph 12 of “Conditions of the Notes” above.

4. **Resolutions, Authorisations and Approvals by virtue of which the Notes have been Issued**

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 23 August 2006.

5. **Cash Flow and Flow of Funds**

Payments received by the Issuer pursuant to the Charged Agreement are applied as follows:

- (A) the Buyer Initial Expense Amount (as defined in the Charged Agreement) will be credited to the Issuer General Expense Accounts of the Issuer held with JPMorgan Chase Bank, N.A., London Branch denominated in U.S. dollars and euro respectively. Funds credited to the Issuer General Expense Accounts of the Issuer may be transferred to the Issuer Series Expense Accounts of the Issuer (if any);
- (B) any Buyer Additional Expense Amount (as defined in the Charged Agreement) will be credited to the Issuer Series Expense Accounts of the Issuer held with JPMorgan Chase Bank, N.A., London Branch denominated in U.S. dollars and euro respectively; and
- (C) each Protection Payment Amount and Funding Payment Amount, the Adjusted Protection Notional Amount, any Spread Shortfall Interest Amount and any Spread Shortfall Amount (each as defined in the Charged Agreement) will be paid to the Issuer for payment to the Noteholders by the Principal Paying Agent in respect of amounts due in respect of the Notes.

Subject to Condition 10 of the Notes and Paragraph 5.11 of the schedule in respect of the Charged Agreement, the Charged Agreement has characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

6. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months prior to the date hereof a significant effect on the Issuer's financial position or profitability in the context of the offering of the Notes.

7. Post-Issuance Reporting

The Issuer does not intend to provide post-issuance information.

ANNEX 1: FORM OF CREDIT DEFAULT SWAP CONFIRMATION

Date: 25 August 2006

To: XELO II Public Limited Company (the “**Issuer**”)

From: Barclays Bank PLC

Re: Tranched Portfolio Credit Swap Transaction

The purpose of this communication, including Annex I (the “**Reference Portfolio Guidelines Annex**”) and any exhibits hereto (together, this “**Confirmation**”), is to confirm the terms and conditions of the Credit Derivative Transaction entered into between the parties on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (collectively, the “**Credit Derivatives Definitions**”), each as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation, as amended herein. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation shall govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 25 August 2006, as amended and supplemented from time to time (the “**Agreement**”), entered into by the parties by their execution of the Constituting Instrument dated 25 August 2006 (the “**Constituting Instrument**”), by and among the persons thereto for purposes of constituting the Series 2006 (Retriever 2) Secured Limited Recourse Credit-Linked Notes due 2013 (the “**Notes**”) of the Issuer under its US\$ 5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. All terms defined in the Agreement and not otherwise defined herein shall have the meanings assigned in the Agreement. References to “**Notes**”, a “**Condition**” in respect of the Notes and any other capitalised term that is used but not defined herein, the Agreement or the Credit Derivatives Definitions shall have the respective meanings ascribed thereto in the Constituting Instrument.

This Confirmation relates to a portfolio of Reference Obligations. The Settlement Terms shall apply to each Reference Obligation following a Credit Event. Accordingly, there may be multiple Cash Settlement Dates and Recovery Amount Determination Dates and multiple adjustments of the Adjusted Protection Notional Amount under this Confirmation. The Credit Derivatives Definitions (particularly, the definition of Termination Date) shall be read and construed so as to permit the foregoing.

The terms of this Transaction to which this Confirmation relates are as follows:

PART I

Trade Date: 27 July 2006

Effective Date: 25 August 2006

Scheduled Termination Date: 25 August 2013

Provided that:

- (a) if on any date on or after the second anniversary of the Issue Date the Reference Portfolio Notional Amount is less than an amount equal to 80 per cent. of the Reference

Portfolio Notional Amount as of the Issue Date; or

- (b) if on any date the Reference Portfolio Notional Amount is less than an amount equal to 10 per cent. of the Reference Portfolio Notional Amount as of the Issue Date,

then Buyer may at any time thereafter by not less than five Business Days nor more than 30 Business Days prior notice to Seller (an “**Optional Early Termination Notice**”) elect that the Scheduled Termination Date be instead a date specified in such notice (such date, the “**Optional Early Termination Date**”).

Provided further that Buyer may only serve an Optional Early Termination Notice if Buyer also serves a corresponding Optional Early Termination Notice with respect to each other Connected Series of Notes.

Buyer Period End Dates:	25th of each February, May, August and November, commencing on 25 November 2006 up to and including the earlier of the Scheduled Termination Date and the Cash Settlement Date on which the Adjusted Protection Notional Amount is determined to be zero.
Buyer Additional Expense Payment Dates:	25th of each August, commencing on 25 August 2007 up to and including 25 August 2012.
Issue Price:	100 per cent.
Initial Notional Amount:	An amount in USD equal to the product of: <ul style="list-style-type: none">(a) 67,000,000; and(b) the Relevant Proportion.
Spread:	With respect to a Buyer Calculation Period, an amount equal to the sum of the Tranche Spreads determined in respect of each day of such period divided by the number of days in such period.
Tranche Spread:	With respect to any day, the product of: <ul style="list-style-type: none">(a) the Initial Tranche Spread; and(b) the Tranche Spread Reference Portfolio Notional Amount on such day divided by the Reference Portfolio Notional Amount on the Issue Date.
Initial Tranche Spread:	5.83 per cent. per annum.
Tranche Spread Reference Portfolio Notional Amount:	(a) The Reference Portfolio Notional Amount as of the Issue Date; minus <ul style="list-style-type: none">(b) the aggregate of each Substituted Notional Amount in respect of which the Replacement Conditions were satisfied on the Substitution Date but in relation to which 100 per cent. of the Noteholders and the Connected Noteholders did not make the same Noteholder Reference Obligation Election on or prior to the Reference Obligation Election

Cut-off Date; minus

- (c) the aggregate of each Substituted Notional Deficit Amount in respect of which the Replacement Conditions were satisfied on the Substitution Date and 100 per cent. of the Noteholders and the Connected Noteholders made the same Reference Obligation Election, but in respect of which the Substitute Notional Amount is less than the Substituted Notional Amount.

Relevant Proportion:	25 per cent.
Floating Rate Option:	USD-LIBOR-BBA (as defined in the 2000 ISDA Definitions (the “ 2000 Definitions ”))
Designated Maturity:	Three months; <i>provided</i> that Linear Interpolation (as defined in the 2000 Definitions) shall apply in respect of the Buyer Calculation Period commencing on and including the Effective Date (if such Buyer Calculation Period is not three months in length) and the Buyer Calculation Period ending on but excluding the Scheduled Termination Date (if such Buyer Calculation Period is not three months in length).
Buyer Initial Expense Amount:	The sum of USD 5,350.00 and EUR 12,400.00
Buyer Additional Expense Amount:	The sum of USD 3,850.00 and EUR 1,000.00
Rating Agency:	Not applicable

PART II

1. General Terms

Termination Date:	The earlier of (i) the Cash Settlement Date or Recovery Amount Determination Date on which the Adjusted Protection Notional Amount is irrevocably determined to be zero and (ii) the later of (a) the Scheduled Termination Date and (b) the Deferred Settlement Date.
Floating Rate Payer:	Issuer (“ Seller ”)
Fixed Rate Payer:	Barclays Bank PLC (“ Buyer ”)
Calculation Agent:	Barclays Bank PLC
Calculation Agent City:	London
Business Days:	London and New York
Business Day Convention:	Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entities: Each entity specified as a “Reference Entity” with respect to a Reference Obligation in the Reference Portfolio Annex, together with any other primary obligor or guarantor with respect to such Reference Obligation from time to time and subject to substitutions in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes. Section 2.2 of the Credit Derivatives Definitions shall not apply. Seller and the Noteholders acknowledge that the Reference Entities will be specified only by reference to a particular internal reference number or other identifier of Buyer.

For the avoidance of doubt, an entity may appear more than once in the Reference Portfolio Annex and, where this is the case, the Conditions to Settlement and the Settlement Terms shall apply separately with respect thereto and the corresponding Reference Obligation.

Reference Obligations: Each obligation specified as a “Reference Obligation” in the Reference Portfolio Annex, subject to the replacement of Reference Obligations in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes or pursuant to “Reference Obligation Replacement by Buyer” below. Seller and the Noteholders acknowledge that the Reference Obligations will be specified only by reference to a particular internal reference number or other identifier of Buyer.

Reference Obligation Replacement by Buyer: If at any time the Reference Obligation Exposure Amount of a Reference Obligation (the “**Original Reference Obligation**”) is less than the Reference Obligation Notional Amount with respect thereto (such deficit, the “**Reference Obligation Notional Amount Deficit**”), Buyer may by notice in writing to Seller specify one or more alternative Loans of the relevant Reference Entity (each a “**Reference Obligation Replacement**”) as Reference Obligation(s) provided that each such Loan is “Not Subordinated” to the Original Reference Obligation and is denominated in a Standard Specified Currency and that the aggregate of the Reference Obligation Notional Amounts specified by Buyer with respect thereto is equal to the Reference Obligation Notional Amount Deficit. Section 2.30 of the Credit Derivatives Definitions shall not apply.

For these purposes “**Reference Obligation Exposure Amount**” means, with respect to a Reference Obligation, the aggregate principal amount of that Reference Obligation in respect of which the Portfolio Management Group of Barclays Capital has a credit exposure (whether as lender, sub-participant or otherwise). Such exposure shall be determined on a net basis (by taking into account any credit hedging arrangements entered into by Buyer with respect thereto in the form of sub-participations, credit derivative transactions or otherwise), as determined by Buyer.

Reference Portfolio Annex: A table substantially in the form set out in Annex 1 hereto and delivered by Buyer to Seller and the initial Noteholder on or prior to the Effective Date. The Reference Entities comprising the Reference Portfolio as at the Effective Date shall together satisfy the Reference Portfolio Guidelines as set out in Annex 2 hereto.

Reference Price:	With respect to each Reference Obligation, 100 per cent.
All Guarantees:	Applicable
Reference Portfolio Notional Amount:	On any day, the sum of the Reference Entity Notional Amounts with respect to each Reference Entity comprised in the Reference Portfolio.
Reference Portfolio:	<p>On the Effective Date, the portfolio of Reference Entities and Reference Obligations specified in the Reference Portfolio Annex and, subsequent to the Effective Date, such portfolio as adjusted by (a) the removal and addition of Reference Obligations in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes or pursuant to “Reference Obligation Replacement by Buyer” above, and (b) the removal of Reference Entities upon the occurrence of an Event Determination Date with respect thereto.</p> <p>Buyer may from time to time, by delivery of a Replacement Notice to Seller and each Noteholder (including any Noteholder Representative appointed by a Noteholder) on any Business Day during the Replacement Notice Delivery Period, propose the replacement of a Reference Obligation in the Reference Portfolio in whole or in part by a Reference Obligation of a different Reference Entity (which may or may not already constitute a Reference Entity under the terms hereof), all in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes.</p> <p>A Replacement Notice may only be delivered by Buyer in respect of the Notes or any Connected Series of Notes if it also delivers a replacement notice on identical terms to the Issuer and the holders of the Notes and the issuer and Connected Noteholders of each Connected Series of Notes on the Replacement Notice Delivery Date.</p> <p>Buyer and Seller agree that, following the delivery of a Replacement Notice by Buyer, the Reference Portfolio and/or the Tranche Spread Reference Portfolio Notional Amount shall be adjusted as determined in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes.</p>
Reference Obligation Notional Amount:	In respect of a Reference Obligation, as at the Effective Date, the Reference Obligation Notional Amount specified in the Reference Portfolio Annex and, after the Effective Date, subject to adjustment in accordance with the provisions of paragraph 27(A) (Replacement of Reference Obligations) of the Terms of the Notes or pursuant to the replacement of Reference Obligations in accordance with the second paragraph of “Reference Obligations” above.
Adjusted Protection Notional Amount:	<p>On any day, an amount in the Settlement Currency (subject to a minimum of zero and a maximum of the Initial Notional Amount), determined by the Calculation Agent as follows:</p> <p>(i) the Initial Notional Amount;</p>

minus

- (ii) the product of (1) the Relevant Proportion and (2) the Protection Loss Amount,

provided that the Adjusted Protection Notional Amount shall be further reduced by any amount paid on or prior to such day under clause (i) of “Buyer Payments – Final Payment” in Section 2 of this Confirmation.

Adjusted Funding Notional Amount:

On any day, an amount in the Settlement Currency (subject to a minimum of zero and a maximum of the Initial Notional Amount), determined by the Calculation Agent as follows:

- (i) the Initial Notional Amount;

minus

- (ii) the product of (1) the Relevant Proportion and (2) the Funding Loss Amount.

Protection Loss Amount:

On any day, the sum of:

- (i) with respect to all Reference Obligations for which an Event Determination Date has occurred on or prior to such day, the aggregate of the Reference Obligation Notional Amounts for such Reference Obligations (minus, in relation to each Recovery Amount Reference Obligation, any Settlement Adjustment Amount with respect thereto); *minus*
- (ii) on each Recovery Amount Determination Date relating to a Reference Obligation in relation to which Recovery Amount Settlement applies, as determined in accordance with the provisions of paragraph 27(B) (Election for Settlement Method) of the Terms of the Notes (each, a “**Recovery Amount Reference Obligation**”), the Recovery Amount relating thereto; *minus*
- (iii) with respect to all Reference Obligations in respect of which Cash Settlement applies, as determined in accordance with the provisions of paragraph 27(B) (Election for Settlement Method) of the Terms of the Notes (each, a “**Cash Settlement Reference Obligation**”) and the Cash Settlement Date for which has occurred on or prior to such day, the aggregate of an amount for each such Reference Obligation equal to (1) the relevant Reference Obligation Notional Amount minus (2) the relevant Cash Settlement Amount; *plus*
- (iv) with respect to all Reference Obligations the Reference Entities with respect to which have been specified in an Extension Notice that is effective on or prior to such day but for which an Event Determination Date has not occurred, the aggregate of the Reference Obligation Notional Amounts for such Reference Obligations *minus*

- (v) if such day occurs after the Extension Date, with respect to all Reference Obligations the Reference Entities with respect to which have been specified in an Extension Notice but for which an Event Determination Date did not occur on or prior to the Extension Date, the aggregate of the Reference Obligation Notional Amounts for such Reference Obligations.

Funding Loss Amount: On any day, the sum of:

- (i) with respect to all Recovery Amount Reference Obligations in relation to which a Settlement Method Notification Date has occurred on or prior to such day, the aggregate of the Reference Obligation Notional Amounts for such Reference Obligations (minus in each case any Settlement Adjustment Amount with respect thereto); *minus*
- (ii) on each Recovery Amount Determination Date relating to a Recovery Amount Reference Obligation, the Recovery Amount relating thereto; *plus*
- (iii) with respect to all Cash Settlement Reference Obligations for which the Cash Settlement Date has occurred on or prior to such day, the aggregate of the Cash Settlement Amounts for such Reference Obligations.

2. Buyer Payments

It is a condition precedent to Buyer's obligations to make the payments under this Section 2 that Seller has paid the Initial Exchange Amount to Buyer on the Initial Exchange Date. For the avoidance of doubt, no Fixed Amounts shall be payable by Buyer under this Confirmation.

Initial Payment: On the Effective Date, Buyer will pay to Seller the Buyer Initial Expense Amount to be credited to the relevant Issuer General Expense Account(s).

- Periodic Payments:
- (i) With respect to each Buyer Calculation Period, Buyer shall pay to Seller on the related Buyer Payment Date the sum of (1) the Protection Payment Amount and (2) the Funding Payment Amount, in each case for such Buyer Calculation Period.
 - (ii) Buyer shall pay to Seller on the related Buyer Additional Expense Payment Date the Buyer Additional Expense Amount for credit to the relevant Issuer Series Expense Account(s).
 - (iii) On the Buyer Payment Date following a Buyer Calculation Period in which one or more Recovery Amount Determination Dates occur with respect to a Reference Obligation or, as applicable, a Cash Settlement Date occurs with respect thereto (each such date a "**Spread Shortfall Payment Date**") Buyer shall pay to Seller an amount equal to the sum of the relevant Spread Shortfall Amount and Spread Shortfall Interest Amount.

Buyer Payment Date: One Business Day prior to each Buyer Period End Date

Buyer Calculation Period:	Each period from (and including) a Buyer Period End Date (or, in the case of the first Buyer Calculation Period, the Effective Date) to (but excluding) the next (or, in the case of the first Buyer Calculation Period, the first) Buyer Period End Date.
Funding Payment Amount:	<p>With respect to each Buyer Calculation Period, an amount determined by the Calculation Agent equal to the sum of the product of the following for each day in such Buyer Calculation Period:</p> <ul style="list-style-type: none"> (i) the Funding Rate for such day; (ii) the Adjusted Funding Notional Amount for such day; and (iii) 1/360.
Funding Rate:	In respect of each day in a Buyer Calculation Period, the Floating Rate for such Buyer Calculation Period determined by Buyer pursuant to the 2000 Definitions and based on the Floating Rate Option in respect of the Designated Maturity.
Protection Payment Amount:	<p>With respect to each Buyer Calculation Period, an amount determined by the Calculation Agent equal to the sum of the product of the following for each day in such Buyer Calculation Period:</p> <ul style="list-style-type: none"> (i) the Tranche Spread for such day; (ii) the Adjusted Protection Notional Amount for such day; and (iii) 1/360.
Final Payment:	<p>Subject to Section 6(C) of this Confirmation, Buyer shall pay to Seller:</p> <ul style="list-style-type: none"> (i) on the Scheduled Termination Date (or, if such date is not a Business Day, on the following Business Day), an amount equal to the Adjusted Protection Notional Amount as of the Scheduled Termination Date (after giving effect to any adjustment thereto in connection with any effective Extension Notice); (ii) if there is a Deferred Settlement Date, on such date, the Adjusted Protection Notional Amount as of the Deferred Settlement Date, if any, plus interest from (and including) the Scheduled Termination Date to (but excluding) the Deferred Settlement Date, in an amount determined by the Calculation Agent to be equal to the sum of the product of the following for each day in such period: (1) Buyer's overnight deposit rate for deposits in the Settlement Currency in the amount of the Adjusted Protection Notional Amount, (2) the Adjusted Protection Notional Amount on the Deferred Settlement Date; and (3) 1/360; and

- (iii) on the Scheduled Termination Date or, if applicable, the Deferred Settlement Date, the Notional Reserve Account Balance on such date (after taking into account all adjustments thereto on or prior to such date).

If the payment of the Adjusted Protection Notional Amount (as provided in (i) above) is postponed solely due to such date not being a Business Day, interest from (and including) the Scheduled Termination Date to (but excluding) the following Business Day shall be paid by Buyer to Seller on such following Business Day in an amount determined by the Calculation Agent to be equal to the sum of the product of the following for each day in such period:

- (a) Buyer's overnight deposit rate for deposits in the Settlement Currency in the amount of the Adjusted Protection Notional Amount;
- (b) the Adjusted Protection Notional Amount for such day; and
- (c) 1/360.

3. Seller Payments

Initial Payment:

Initial Exchange: Seller shall pay to Buyer the Initial Exchange Amount on the Initial Exchange Date.

Initial Exchange Amount: An amount equal to (i) the product of the Initial Notional Amount and the Issue Price less (ii) any Arranger's fee

Initial Exchange Date: Effective Date

Clean-Up Payment:

On the Effective Date, an amount equal to Buyer Initial Expense Amount will become due from Seller to Buyer. On each Buyer Additional Expense Payment Date, an amount equal to Buyer Additional Expense Amount in respect of such date (if any) will become due from Seller to Buyer. On each date, an amount equal to the interest, if any, in respect of such date accrued in the Issuer Series Expense Account(s) in respect of the Notes will become due from Seller to Buyer. Unless otherwise directed by Buyer to pay a lesser amount, Seller shall pay the aggregate of such amounts together with all other amounts, if any, standing to the credit of the Issuer Series Expense Account(s) in respect of the Notes, to the extent of funds available in such account(s) to pay such amounts (the "**Clean-Up Payment**") on the Termination Date or, if earlier, on the day on which the Notes are redeemed. In the event that an Early Termination Date is designated or deemed to occur, for purposes of determining the Settlement Amount or Unpaid Amounts in respect of the Transaction evidenced by this Confirmation, the amount payable by Seller under this paragraph and any Buyer Additional Expense Amounts shall be deemed to be zero, but for purposes of Section 6 of the Agreement, Seller shall be separately obligated to pay to Buyer the Clean-Up Payment on the earliest date that the other payments are due under Section 6 of the Agreement.

4. Settlement Terms

Floating Rate Payer Calculation Amount: In respect of a Reference Obligation, the Reference Obligation Notional Amount with respect thereto.

Conditions to Settlement: Credit Event Notice, which notice shall (i) contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred and (ii) incorporate or attach a certificate signed by a Managing Director (or substantively equivalent title) of Buyer to the effect that the events described in the Credit Event Notice have occurred.

Notifying Party: Buyer

Notice of Publicly Available Information: Not Applicable

Specified Number: Not Applicable

It will not be a condition precedent to the delivery of a Credit Event Notice or the settlement of a Credit Event that Buyer was the originator, holder or servicer of any relevant defaulted Reference Obligation at the time of occurrence of any relevant Credit Event or the time of satisfaction of the related Conditions to Settlement.

Credit Events: Bankruptcy

Failure to Pay

Grace Period Extension: Applicable

Obligations:

Obligation Category: Reference Obligation only

Obligation Characteristics: None

Excluded Obligations: None

Settlement Method: Cash Settlement or Recovery Amount Settlement as determined in accordance with the provisions of paragraph 27(B) (Election for Settlement Method) of the Terms of the Notes *provided, however* that, for the avoidance of doubt, no Cash Settlement Amounts shall be payable by Seller hereunder and in lieu thereof on each Event Determination Date, Cash Settlement Date or Recovery Amount Determination Date as applicable the Adjusted Protection Notional Amount and/or the Adjusted Funding Notional Amount and/or the Notional Reserve Account Balance shall be adjusted as provided herein.

Terms relating to Cash Settlement:

Indicative Quotations: On the Indicative Quotation Date the Calculation Agent shall request indicative bid quotations (each, an “**Indicative Quotation**”) in respect of the Reference Obligation of the Reference Entity that was the subject of the relevant Credit Event Notice (and in respect of the an outstanding principal amount thereof equal to the applicable

Reference Obligation Notional Amount) from at least two Dealers and shall notify Buyer, Seller and each Noteholder (including any Noteholder Representative appointed by a Noteholder) of any Indicative Quotation so obtained.

Indicative Quotation Date: In respect of each Reference Obligation that is the subject of a Credit Event Notice, a Business Day selected by Buyer which is not less than 30 Business Days following the Event Determination Date.

Cash Settlement Amount: In respect of each Reference Obligation, an amount (subject to a minimum of zero) equal to:

- a. the greater of (i)(a) the applicable Floating Rate Payer Calculation Amount *multiplied by* (b) the Reference Price *minus* the Final Price for such Reference Obligation and (ii) zero; minus
- b. if the amount determined in accordance with (1) above is greater than zero, the Settlement Adjustment Amount, if any.

Cash Settlement Date: In respect of a Reference Obligation, the date upon which the Cash Settlement Amount in respect thereof is determined.

Valuation Date: Single Valuation Date. The second Business Day following the Settlement Method Election Cut-off Date.

Valuation Time: A time specified by the Calculation Agent as close as reasonably practicable to 11:00 a.m. in the relevant Calculation Agent City unless the Calculation Agent determines the principal market for transactions in the relevant Reference Obligation is closed at such time, in which case the Valuation Time shall be such other time selected by the Calculation Agent.

Quotation Method: Bid

Quotation Amount: In respect of a Reference Obligation, the Reference Obligation Notional Amount applicable thereto or such lesser amount as determined by Buyer.

Dealers: Dealers, financial institutions or funds that deal or invest in obligations (or counterparties to credit derivative transactions with Buyer in respect of obligations) of the type for which Quotations are to be obtained, as selected by and inclusive of Buyer. Any bid quotation provided by Buyer shall be deemed to be a firm quotation.

Settlement Currency: Currency in which the Initial Notional Amount is denominated

Valuation Method: Highest

Terms relating to Recovery Amount Settlement:

Recovery Amount: With respect to a Reference Obligation, each amount (net of any applicable enforcement costs) which the Calculation Agent determines that the Reference Holder has recovered during the Work-out Period, including (i) any amounts repaid in respect of such Reference Obligation by or on behalf of any obligor of such

Reference Obligation and (ii) the sale proceeds or other proceeds of enforcement of any Reference Collateral, as determined by the Calculation Agent (each date on or prior to the Long Stop Work-out Date on which the Calculation Agent determines that a Recovery Amount has been paid, a “**Recovery Amount Determination Date**”), in each case multiplied by the Relevant Proportion. Such amount may include the market value of any assets received by the Reference Holder in partial or total satisfaction of the obligations of the relevant Reference Obligation to the Reference Holder.

- Reference Collateral: With respect to a Reference Obligation, such Reference Obligation's *pro rata* portion of any mortgage, charge, guarantee or other security interest granted to or held for the benefit of any holder in respect of such Reference Obligation as security for the obligations of the obligor under such Reference Obligation, provided that Reference Collateral does not include any such interest to the extent that it is held for the benefit of a person other than the Reference Holder in respect of such Reference Obligation as designated by Buyer in its sole discretion.
- Reference Holder: With respect to a Reference Obligation in respect of which a Credit Event has occurred and for which Recovery Amount Settlement is the applicable Settlement Method, a holder of an outstanding principal balance thereof equal to the relevant Reference Obligation Notional Amount, as designated by Buyer in its sole discretion on Event Determination Date in respect of such Credit Event.
- Work-out Period: The date commencing on the Event Determination Date and ending on the Long Stop Work-out Date or such earlier date on which the Calculation Agent determines in its sole discretion that no further amounts will be received by the Reference Holder in respect of the Reference Obligation.
- Long Stop Work-out Date: The date falling 24 months after the relevant Event Determination Date.
- Recovery Rate: With respect to any Reference Obligation in respect of which a Credit Event has occurred and for which Recovery Amount Settlement is the applicable Settlement Method, the sum of the Recovery Amount(s) thereof expressed as a percentage of the Reference Obligation Notional Amount of such Reference Obligation.

Determination of Settlement Adjustment Amount:

- Settlement Adjustment Amount: With respect to any Reference Obligation and the related Cash Settlement Amount (in the case of Cash Settlement Reference Obligation) or (in the case of a Recovery Amount Reference Obligation), for the purposes of paragraph (i) of “Protection Loss Amount” and paragraph (i) of “Funding Loss Amount” (in each case, the “**Relevant Settlement Amount**”), an amount equal to the lesser of (i) the Notional Reserve Account Balance on the day of determination of the Relevant Settlement Amount and (ii) the Relevant Settlement Amount.

Notional Reserve Account Balance: On any day an amount equal to (i) the sum of all Notional Reserve Account Deposit Amounts determined prior to such day minus (ii) the sum of all Settlement Adjustment Amounts determined prior to such day.

Notional Reserve Account Deposit Amount: With respect to any Reference Obligation for which the Final Price or, as the case may be, the Recovery Rate is greater than 100 per cent., an amount equal to the product of (i) the amount of such excess and (ii) the relevant Reference Obligation Notional Amount.

5. Additional Definitions

“**Affected Calculation Period**” means each Buyer Calculation Period from and including that in which the relevant Event Determination Date occurred to and including that in which the relevant Recovery Amount Determination Date or, as applicable, Cash Settlement Date occurred.

“**Deferred Settlement Date**” means, if (i) an Extension Notice is effective or (ii) an Event Determination Date has occurred before the Scheduled Termination Date but the related Cash Settlement Date or, as applicable, the final Recovery Amount Determination Date has not occurred before the Scheduled Termination Date, three Business Days after the last to occur of (a) the Extension Date (if applicable) and (b) the last occurring Cash Settlement Date or Recovery Amount Determination Date in respect of all Reference Entities.

“**Extension Date**” means, if an Extension Notice is effective on or prior to the Scheduled Termination Date, the last day of the latest ending Notice Delivery Period in respect of each Reference Entity specified in such Extension Notice.

“**Extension Notice**” means an irrevocable notice (which may be oral, including by telephone) from Buyer to Seller that is effective on or before the Scheduled Termination Date and that specifies one or more Reference Entities in respect of which Buyer in its sole discretion has determined that a Credit Event or Potential Failure to Pay has or may have occurred. An Extension Notice is effective when given (and, if given by telephone, will be deemed to be given at the time the telephone conversation commences). A notice given after 4:00 p.m. New York City time on a Business Day will be deemed given on the next Business Day.

“**Reset Date**” means the first day of each Buyer Calculation Period.

“**Spread Shortfall Amount**” means, with respect to a Reference Obligation and a Spread Shortfall Payment Date, an amount equal to:

- (i) the aggregate of the Protection Payment Amounts that would have been determined in respect of each Affected Calculation Period if the Cash Settlement Date or, as the case may be, the Recovery Amount Determination Dates for the relevant Reference Obligation had been the relevant Event Determination Date (and the relevant Cash Settlement Amount or Recovery Amounts had been determined on such date); *minus*
- (ii) the aggregate of the Protection Payment Amounts actually determined in respect of each Affected Calculation Period (which amounts shall include, for the avoidance of doubt, any Spread Shortfall Amounts previously determined with respect thereto).

If a Spread Shortfall Payment Date relates to more than one Reference Obligation (each, a “**Relevant Reference Obligation**”) then the Calculation Agent shall determine the Spread Shortfall Amount with respect to each Relevant Reference Obligation in such order as it may determine.

“Spread Shortfall Interest Amount” means, with respect to a Reference Obligation and a Spread Shortfall Payment Date, an amount equal to the sum, for each day in the period from and including the Buyer Payment Date immediately following the Buyer Calculation Period in which the relevant Event Determination Date occurred to but excluding the relevant Spread Shortfall Payment Date on which such Spread Shortfall Amount is payable, of the product of (i) Buyer's overnight deposit rate for deposits in the Settlement Currency in an amount equal to such Spread Shortfall Amount, (ii) the Spread Shortfall Amount and (iii) 1/360.

6. Additional Provisions

- (A) In the absence of manifest error, Buyer's books and records recording the References Entities and the Reference Obligations referenced hereunder from time to time shall govern in the event of any dispute with respect to the name or identity of any such Reference Obligation.
- (C) If on the Scheduled Termination Date Buyer determines that no Adjusted Protection Notional Amount will become due after the Scheduled Termination Date, then Buyer shall make the Final Payment required under clause (i) of the definition thereof on the Scheduled Termination Date if and only if Seller transfers (or causes to be transferred) to Buyer, under the Credit Support Annex, Equivalent Credit Support with respect to all items comprising the Credit Support Balance on a delivery versus payment basis.

If on the Scheduled Termination Date Buyer determines that an Adjusted Protection Notional Amount may become due after the Scheduled Termination Date, then Buyer shall make the Final Payment required under clause (i) of the definition thereof on the Scheduled Termination Date if and only if Seller transfers (or causes to be transferred) to Buyer, under the Credit Support Annex, Equivalent Credit Support with a Value equal to such Final Payment on a delivery versus payment basis.

Buyer shall make the Final Payment required under clause (ii) of the definition thereof on the Deferred Settlement Date if and only if Seller transfers (or causes to be transferred) to Buyer, under the Credit Support Annex, Equivalent Credit Support with respect to all items comprising the Credit Support Balance on a delivery versus payment basis.

For the purposes of the foregoing, each of “Equivalent Credit Support,” “Credit Support Balance” and “Value” shall have the meaning given to it in the Credit Support Annex.

7. Amendments to Credit Derivatives Definitions

The Credit Derivatives Definitions are amended as follows:

- (A) Section 1.7 shall not apply.
- (B) The final sentence of Section 1.11 shall be deleted.
- (C) The pre-penultimate and penultimate sentences of Section 1.14 is hereby replaced with the following: “Whenever the Calculation Agent is required to act or to exercise judgment, it will do so in good faith in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error. The Calculation Agent shall inform Seller as soon as reasonably practicable following the determination of a new Adjusted Protection Notional Amount, Adjusted Funding Notional Amount, Cash Settlement Amount or Recovery Amount in respect of any Reference Obligation.”
- (D) Section 2.31 is deleted.
- (E) In Section 3.3, references to the “Effective Date” shall mean the “Trade Date”.
- (F) The final sentence of Section 4.6(b) shall be deleted.

- (G) The final sentence of Section 7.2 shall be deleted.
- (H) The phrase “only one Reference Obligation and one Valuation Date” shall be deleted from Section 7.5(a). Sections 7.5(b), 7.5(c) and 7.5(d) shall not apply.
- (I) Section 7.7 of the Credit Derivatives Definitions is hereby replaced with the following:

“Section 7.7. Quotation. “Quotation” means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to the Valuation Date from three or more Dealers. If the Calculation Agent is able to obtain two or more such Full Quotations from Dealers other than Buyer in respect of such Valuation Date, then the Calculation Agent shall use such Full Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Calculation Agent is unable to obtain two or more such Full Quotations in respect of such Valuation Date but is able to obtain a Weighted Average Quotation in respect of such Valuation Date, then the Calculation Agent shall use such Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method.

If the Calculation Agent is unable to obtain two or more such Full Quotations or such a Weighted Average Quotation in respect of such Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until and including the fifth Business Day) the Calculation Agent shall attempt to obtain two or more such Full Quotations from three or more Dealers other than Buyer and, if two or more such Full Quotations are not available from such Dealers other than Buyer on any such Business Day, a Weighted Average Quotation on such Business Day. If the Calculation Agent is able to obtain two or more such Full Quotations in respect of any such Business Day from such Dealers other than Buyer, then the Calculation Agent shall use such Full Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Calculation Agent is unable to obtain two or more such Full Quotations in respect of any such Business Day but is able to obtain a Weighted Average Quotation in respect of any such Business Day, then the Calculation Agent shall use such Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method.

If the Calculation Agent is unable to obtain two or more such Full Quotations or such a Weighted Average Quotation from such Dealers other than Buyer on or prior to the fifth Business Day following the relevant Valuation Date, then the Calculation Agent shall use the Full Quotation, if any, obtained from Buyer on such fifth Business Day to determine the Final Price in accordance with the specified Valuation Method. If the Calculation Agent is unable to obtain such Full Quotation from Buyer on such fifth Business Day following the relevant Valuation Date, then the Quotation shall be deemed to be zero.

The Calculation Agent shall determine, based on then current market practice in respect of the relevant Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance (as defined in Section 8.7(a)(i)) for purposes of determining the Final Price.”

- (J) Article X is deleted.

- (K) The phrases “after consultation with the parties” and “in consultation with the parties” shall be deleted wherever they appear in the Credit Derivatives Definitions.
- (L) Credit Event Notices and Extension Notices are subject to the requirements regarding notices set forth in Section 1.10 unless otherwise specifically provided herein and shall, in each case, be copied by Buyer to the Principal Paying Agent and the Trustee, *provided* that the delivery of or failure to deliver any such copy to the Principal Paying Agent or the Trustee will not affect the effectiveness of such notice.

8. Notice and Account Details

As per Exhibit A hereto

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us.

Yours sincerely,
BARCLAYS BANK PLC

By:
Name:
Title:

Confirmed on the date
first above written:
XELO II PUBLIC LIMITED COMPANY

By:
Name:
Title:

ANNEX 1: FORM OF REFERENCE PORTFOLIO ANNEX

Reference Obligation Number	Reference Entity ID	Barclays Internal Credit Rating	Reference Obligation Notional Amount (US\$)	Maturity Date	Country Code	Barclays Industry Classification
3000163457	40323712	8	41,507,540	04-Jul-13	Iceland	Healthcare
3000163463	40323712	8	12,186,892	04-Jul-13	Iceland	Healthcare
3200049844	40087743	7	9,881,686	04-Jul-13	United States	Other Financial Institutions
3200049867	40087743	7	9,880,895	04-Jul-13	United States	Other Financial Institutions
3000106058	40020859	4	18,350,234	04-Jul-13	Bahrain	Mining & Metals
3000105798	40020859	4	988,090	04-Jul-13	Bahrain	Mining & Metals
3000159882	40001069	5	25,373,748	04-Jul-13	Finland	Manufacturing
3000159898	40001069	5	16,492,936	04-Jul-13	Finland	Manufacturing
3000117544	40251155	5	49,307,089	04-Jul-13	Canada	Transport
3000147828	10305260	5	43,192,911	04-Jul-13	Denmark	Transport
3730000907	40193547	5	79,163,275	04-Jul-13	Japan	Retail
3000137704	10259571	5	13,336,725	04-Jul-13	France	Retail
3000142577	40067381	5	57,471,540	04-Jul-13	France	Services
3000141474	10050126	5	46,250,000	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3000141435	10050126	5	46,250,000	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3200076957	40141239	5	33,571,940	04-Jul-13	Spain	Manufacturing
3200076963	40141239	5	16,785,970	04-Jul-13	Spain	Manufacturing
3200076944	40141239	5	15,888,553	04-Jul-13	Spain	Manufacturing
3000165481	40155793	7	33,059,523	04-Jul-13	France	Transport
3000159265	40155793	7	31,717,186	04-Jul-13	France	Transport
3000135961	10250286	8	22,524,263	04-Jul-13	United Kingdom	Electronics
3200060415	10309273	5	4,989,852	04-Jul-13	United States	Chemicals / Pharmaceuticals
3000137851	10155627	3	24,873,448	04-Jul-13	Canada	Mining & Metals
3000137869	40238791	3	67,626,552	04-Jul-13	United Kingdom	Mining & Metals
3200080727	10209505	5	31,618,864	04-Jul-13	United States	Media
3200080714	10209505	5	32,761,126	04-Jul-13	United States	Media
3000147835	40171483	5	92,500,000	04-Jul-13	Abu Dhabi	Energy
3000145283	40016299	6	12,686,874	04-Jul-13	Germany	Manufacturing
3000174617	10107987	6	37,000,000	04-Jul-13	United Kingdom	Leisure
3000174589	10107987	6	35,198,684	04-Jul-13	United Kingdom	Leisure
3000144572	10359210	5	31,501,620	04-Jul-13	France	Retail
3000086224	40185583	6	21,333,756	04-Jul-13	Netherlands	Aerospace
3200074548	40107974	7	6,935,324	04-Jul-13	United States	Electronics
3000092696	10300752	5	84,986,688	04-Jul-13	United Kingdom	Tobacco
3000140062	40155716	6	16,702,336	04-Jul-13	Germany	Media
3000140078	40155716	6	22,202,030	04-Jul-13	Germany	Media
3000140106	40155716	6	27,986,270	04-Jul-13	Germany	Media
3000135218	40336666	5	92,500,000	04-Jul-13	United Kingdom	Tobacco
3000143235	40223541	12	22,456,580	04-Jul-13	United Kingdom	Telecoms - Telecoms

Reference Obligation Number	Reference Entity ID	Barclays Internal Credit Rating	Reference Obligation Notional Amount (US\$)	Maturity Date	Country Code	Barclays Industry Classification
3000143259	40223541	12	13,473,948	04-Jul-13	United Kingdom	Telecoms - Telecoms
3000114196	40245331	4	12,686,874	04-Jul-13	Germany	Services
3000142564	40001724	5	46,250,000	04-Jul-13	United Kingdom	Retail
3000117814	40001724	5	46,250,000	04-Jul-13	United Kingdom	Retail
3000147623	40234904	5	75,328,316	04-Jul-13	United Kingdom	Retail
3000147632	40234904	5	17,171,684	04-Jul-13	United Kingdom	Retail
3000156558	40310973	5	51,028,852	04-Jul-13	Denmark	Infrastructure
3000073714	40053720	4	5,087,500	04-Jul-13	United Kingdom	Aerospace
3000073704	40053720	4	109,222	04-Jul-13	United Kingdom	Aerospace
3770003374	40121990	5	37,053,357	04-Jul-13	Australia	Mining & Metals
3200055173	10109826	10	19,570,757	04-Jul-13	United States	Energy
3000148067	40191975	5	48,319,846	04-Jul-13	France	Food & Drink Manufacture / Retail
3000148101	40191975	5	17,830,202	04-Jul-13	France	Food & Drink Manufacture / Retail
3000078265	40147515	5	1,362,384	04-Jul-13	Qatar	Airline
3000068666	40147515	5	1,068,964	04-Jul-13	Qatar	Airline
3000078242	40147515	5	1,300,507	04-Jul-13	Qatar	Airline
3000077854	40147515	5	209,048	04-Jul-13	Qatar	Airline
3000071184	40147515	5	1,093,206	04-Jul-13	Qatar	Airline
3000077423	40147515	5	1,143,704	04-Jul-13	Qatar	Airline
3000112252	40147515	5	3,721,348	04-Jul-13	Qatar	Airline
3000078317	40147515	5	1,469,757	04-Jul-13	Qatar	Airline
3710000113	10009374	6	29,642,685	04-Jul-13	Australia	Mining & Metals
3000115757	10009374	4	27,738,120	04-Jul-13	Netherlands	Services
3000151384	40307969	7	28,263,889	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3000151359	40307969	7	28,263,889	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3000151374	40307969	7	28,263,889	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3000151397	40307969	7	7,708,333	04-Jul-13	United Kingdom	Food & Drink Manufacture / Retail
3000137575	40002639	5	34,216,679	04-Jul-13	Sweden	Aerospace
3000157442	40172670	6	26,997,668	04-Jul-13	Austria	Forest Products
3200084178	10109745	5	26,180,150	04-Jul-13	United States	Tourism / Hotels
3000164064	40325807	7	92,500,000	04-Jul-13	Luxembourg	Energy
3000136208	10250466	2	88,808,120	04-Jul-13	Belgium	Chemicals / Pharmaceuticals
3200076289	40223414	7	13,550,942	04-Jul-13	United States	Energy
3200076271	40223414	7	11,140,683	04-Jul-13	United States	Energy
3000136097	40202923	8	92,500,000	04-Jul-13	United Kingdom	Leisure

ANNEX 2: REFERENCE PORTFOLIO GUIDELINES

The aggregate of the Reference Obligation Notional Amounts corresponding to Reference Entities having the Barclays Internal Credit Ratings specified below, in each case expressed as a percentage of the Reference Portfolio Notional Amount as at the Effective Date, shall not exceed the corresponding maximum percentage.

DG 1-4:	100%
DG 5-7:	80%
DG 8-9:	60%
DG 10-11:	50%
DG 12	40%
DG 13-15:	25%
DG 16:	20%
DG 17:	15%
DG 18:	10%
DG 19-21:	5%

ANNEX 3: BARCLAYS INDUSTRY CLASSIFICATIONS

Buyer will assign to each Reference Obligation and each Proposed Reference Obligation, on the day on which it first becomes a Reference Obligation or Proposed Reference Obligation, a classification (such entity's "**Barclays Industry Classification**") from one of the following industry categories:

1. Aerospace
2. Agriculture
3. Airline
4. Automotive
5. Banks
6. Chemicals / Pharmaceuticals
7. Civil Engineering / Construction
8. Education
9. Electronics
10. Energy
11. Engineering
12. Exchanges / Clearing Houses
13. Food & Drink Manufacture / Retail
14. Forest Products
15. Funds / Fund Managers
16. Government Sponsored Enterprise
17. Healthcare
18. Infrastructure
19. Insurance - Life
20. Insurance - non Life
21. Leisure
22. Manufacturing
23. Media
24. Mining & Metals
25. Nuclear
26. Other Financial Institutions
27. Power Generation
28. Property
29. Property - CMBS
30. Provincial / State / Local Government
31. Retail
32. Securities Firms
33. Securitisation - Auto
34. Securitisation - Business Credit
35. Securitisation - CDO
36. Securitisation - Consumer Credit
37. Securitisation – Equipment Leasing
38. Securitisation - Mortgages
39. Securitisation - Other
40. Services
41. Sovereign
42. Supranationals

43. Technology
44. Telecoms - Cable
45. Telecoms - Manufacture
46. Telecoms - Telecoms
47. Tobacco
48. Tourism / Hotels
49. Transport
50. Utilities
51. Wholesale

EXHIBIT A

NOTICE AND ACCOUNT DETAILS

Notices for Barclays Bank PLC:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom
Tel: +44 (0) 20 7773 9126
Fax: +44 (0) 20 7516 7441
Attention: Head of UK Credit Derivatives

Barclays Bank PLC
Global Credit Derivatives Group
200 Park Avenue
New York, New York 10166
U.S.A.
Tel: +1 212 412 5241
Fax: +1 212 412 7411
Attention: Head of US Credit Derivatives

With a copy to:

Barclays Capital
200 Park Avenue
New York, New York 10166
United States of America
Attention: Head of Structured Credit
Transaction Management
Tel: +1 212 412 5700
Fax: +1 212 412 1732

Notices to XELO II Public Limited Company:

XELO II Public Limited Company
AIB International Centre
IFSC
Dublin 1
Ireland
Tel: +353 1 874 0777
Fax: +353 1 874 3050

Account Details of Barclays Bank PLC:

EUR

Bank: Barclays Bk Plc, London
Swift: BARCGB22
A/C: Barclays Head Office Swaps
A/C No: 78659111

GBP

Bank: Barclays Bk Plc, 54 Lombard Street,
London
S/C: 20-00-00
Swift: BARCGB22
A/C: Barclays Swaps
A/C No: 00152021

USD

Bank: Federal Reserve Bank of New York,
New York
ABA No: 026-0025-74
A/C: Barclays Bank Plc, New York
Favour: Barclays Swaps & Options Group, New
York
A/C No: 050-01922-8

Account Details of XELO II Public Limited Company:

To be advised

ANNEX 2: FORM OF PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

References herein to “Party A” are to Barclays Bank PLC and to “Party B” are to XELO II Public Limited Company but only in respect of its Series 2006 (Retriever 2) USD 16,750,000 Secured Limited Recourse Notes due 2013 (the “Notes”).

Paragraph 11. Elections and Variables

(a) Base Currency and Eligible Currency

- (i) “**Base Currency**” means United States Dollars (and any successor currency).
- (ii) “**Eligible Currency**” means the Base Currency and the lawful currencies of the member states of the European Union that adopt the single currency in accordance with the EC Treaty and the United Kingdom (and any successor currency to any such currency).

(b) Credit Support Obligations

- (i) Delivery Amount, Return Amount and Credit Support Amount
 - (A) “**Delivery Amount**” has the meaning specified in Paragraph 2(a).
 - (B) “**Return Amount**” has the meaning specified in Paragraph 2(b).
 - (C) “**Credit Support Amount**” means on a Valuation Date:
 - (I) with respect to Party A either:
 - (a) prior to the payment of the Adjusted Protection Notional Amount due on the Scheduled Termination Date or, if later, the Adjusted Protection Notional Amount on the Deferred Settlement Date, the Adjusted Protection Notional Amount on such Valuation Date; or
 - (b) on and after the payment of the Adjusted Protection Notional Amount due on the Scheduled Termination Date or, if later, the Adjusted Protection Notional Amount due on the Deferred Settlement Date, zero; and
 - (II) with respect to Party B, zero.

(ii) Eligible Credit Support

Each of the items (each, a “**Credit Support Item**”) described in Exhibit 1 to this Paragraph 11 of the Credit Support Annex will qualify as “**Eligible Credit Support**”.

For the avoidance of doubt, if a Credit Support Item ceases to be rated AAA by S&P or Aaa by Moody’s or AAA by Fitch it shall no longer constitute Eligible Credit Support for the purposes hereof and, notwithstanding any other provision of the Credit Support Annex, Party A shall have 30 calendar days to replace such Credit Support Item with another item or items that qualifies or qualify as Eligible Credit Support.

(iii) **Thresholds**

- (A) **“Independent Amount”** means with respect to Party A and Party B, zero.
- (B) **“Threshold”** means with respect to Party A and Party B, zero.
- (C) **“Minimum Transfer Amount”** means with respect to Party A and Party B, zero.
- (D) **Rounding.** The Delivery Amount and the Return Amount will not be rounded.

(c) **Valuation and Timing**

- (i) **“Valuation Agent”** means Party A in all instances.
- (ii) **“Valuation Date”** means each Local Business Day.
- (iii) **“Valuation Time”** means the close of business on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.
- (iv) **“Notification Time”** means 1:00 p.m., London time, on a Local Business Day.

(d) **Exchange Date**

“Exchange Date” has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution**

- (i) **“Resolution Time”** means 1:00 p.m., London time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.
- (ii) **Value.** For the purposes of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated by Party A in good faith.
- (iii) **Alternative.** The provisions of Paragraph 4 will apply, unless an alternative dispute resolution procedure is specified here: none.

(f) **Distributions and Interest Amount**

- (i) **Interest Rate.** The **“Interest Rate”** in relation to the portion of the Credit Support Balance comprised of cash in an Eligible Currency will be the rate of interest quoted from time to time by Party B's custodian in respect of such Eligible Currency.
- (ii) **Transfer of Interest Amount.** The transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business

Day that a Return Amount consisting wholly or partly of cash is transferred to the Transferor pursuant to Paragraph 2(b).

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) will apply.

(g) **Addresses for Transfers**

Party A: To be advised by Party A.

Party B: To be advised by Party B's custodian.

(h) **Other provisions:**

(i) **Rights and Obligations of Party A**

Party A's obligations under this Annex may be performed by Party A or by any other entity designated by Party A, and Party B will accept performance from such other entity, and such performance will be deemed to discharge the obligations of Party A to the extent of such performance, provided, however, Party A will remain obligated to perform its obligations under this Annex notwithstanding any such designation. Party A may assign its right to receive Equivalent Credit Support to any entity, and Party B will transfer such Equivalent Credit Support to such other entity designated by Party A, and such transfer will be deemed to discharge the obligations of Party B to the extent of such transfer.

(ii) **Amendment to Section 12 (Notices)**

For purposes of Paragraph 2, Party B shall be deemed to have given the notice required under Paragraph 2 on any Valuation Date on which the Credit Support Amount exceeds the Value of the Transferor's Credit Support Balance.

(iii) **Amendment to Paragraph 3(c) (Exchanges)**

Subparagraph (ii) of Paragraph 3(c) is deleted in its entirety and replaced with the following:

“(ii) Subject to the New Credit Support proposed by the Transferor under Paragraph 3(c)(i) being a Credit Support Item:

(A) the Transferor will be obliged to transfer the New Credit Support to the Transferee on the Settlement Day specified by the Transferor and (B) the Transferee will be obliged to transfer to the Transferor Equivalent Credit Support in respect of the Original Credit Support not later than the Settlement Day following the date on which the Transferee receives the New Credit Support (the “**Exchange Date**”); *provided* that the Transferee will not be obliged to transfer Equivalent Credit Support in respect of the Original Credit Support to the Transferor if and to the extent that a Delivery Amount would be greater than zero immediately after giving effect to such transfer.”

(iv) **Amendment to Paragraph 5(c) (Distributions and Interest Amount)**

Subparagraph (i) of Paragraph 5(c) is deleted in its entirety and replaced with the following:

“(i) **Distributions.** The Transferee will transfer to the Transferor not later than the Settlement Day following each Distributions Date cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions (“Equivalent Distributions”) to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose), provided that each Distribution in respect of principal with respect to Eligible Credit Support comprised in the Credit Support Balance that is a security shall not be so transferred and shall instead form part of the Credit Support Balance.

(v) **Amendment to Paragraph 6 (Default)**

Paragraph 6 is deleted in its entirety and replaced with the following:

“If an Early Termination Date is designated or deemed to occur as a result of an Event of Default or a Termination Event in relation to a party, an amount equal to the Value (provided that a Valuation Percentage of 100 per cent. shall be applied for the purposes of determining the Value of Eligible Credit Support comprised in the Credit Support Balance) of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party or the Affected Party as the case may be) for the purposes of Section 6(e). For the avoidance of doubt, if Market Quotation is the applicable payment measure for the purposes of Section 6(e), then the Market Quotation determined under Section 6(e) in relation to the Transaction constituted by this Annex will be deemed to be zero, and, if Loss is the applicable payment measure for the purposes of Section 6(e), then the Loss determined under Section 6(e) in relation to the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance.”

(vi) **Amendments to Paragraph 10 (Definitions)**

(A) Capitalised words and expressions defined in the Confirmation (as defined below) shall, except so far as the context otherwise requires, have the same meaning in this Annex. In the event of any inconsistency between the definitions in the Confirmation and this Annex, this Annex shall prevail.

(B) The following amendments shall be made to the definitions in Paragraph 10 of this Annex:

The definition of “**Credit Support Balance**” is deleted and replaced with the following:

“**Credit Support Balance**” means on a Valuation Date:

(i) with respect to Party A, the aggregate of all Eligible Credit Support that has been transferred to or received by Party B under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to Paragraph 2(b), 3(c)(ii) or 6. Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to Paragraph 5(c)(i) or (ii) will form part of the Credit Support Balance; and

(ii) with respect to Party B, zero.

The definition of “**Value**” is deleted and replaced with the following:

“**Value**” means, for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 4 in the case of a dispute:

- (i) with respect to Eligible Credit Support comprised in the Credit Support Balance that is:
 - (a) an amount of cash or a Deposit, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
 - (b) a security, the principal amount of such security; and
 - (ii) with respect to other items that are comprised in the Credit Support Balance not covered by (i) above, zero.
- (C) The following additional definitions shall be added to Paragraph 10 of this Annex:

“**AAA ABS**” means an asset backed security which is rated AAA by S&P or Aaa by Moody’s or AAA by Fitch.

“**Confirmation**” means the confirmation from Barclays Bank PLC to XELO II Public Limited Company dated on or about the date of the ISDA Master Agreement of which this Credit Support Annex forms a part, including the Annex and Exhibits thereto, the purpose of which is to confirm the terms and conditions of the Transaction entered into between Party A and Party B.

“**Fitch**” means Fitch Ratings Limited, and any successor thereto.

“**Moody’s**” means Moody’s Investors Service Limited, and any successor thereto.

“**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

IN WITNESS whereof, the parties hereby enter into this Annex by their duly authorised officers as of the date written above

BARCLAYS BANK PLC

XELO II PUBLIC LIMITED COMPANY

By:
Name:
Title:
Date:

By:
Name:
Title:
Date:

Exhibit 1
To Paragraph 11 of the Credit Support Annex
Items of Eligible Credit Support

	Valuation	Percentage	(subject to below)
(A) cash in an Eligible Currency	100%		
(B) AAA ABS denominated and payable in an Eligible Currency	100%		

ANNEX 3: FORM OF SCHEDULE TO ISDA MASTER AGREEMENT

SCHEDULE

**to the ISDA Master Agreement
Multicurrency-Cross Border) published by the
International Swaps and Derivatives Association, Inc. (“ISDA”)**

Dated: the date specified in the
Constituting Instrument
relating to the Notes referred to
in such Constituting Instrument

between

the Swap Counterparty

and

the Issuer

(“**Party A**”)

(“**Party B**”)

In respect of each Constituting Instrument entered into by the parties thereto (the “**Constituting Instrument**”) and the Series of Notes constituted thereby (the “**Notes**”), Party A and Party B are deemed to have entered into an agreement (the “**Agreement**”) in the form of the ISDA Master Agreement (Multicurrency - Cross Border) relating to the Charged Agreement entered into by Party A and Party B in respect of such Series of Notes, and such Agreement is deemed to be incorporated into this Agreement *in extenso* as amended by the following schedule which shall take effect as if it was the Schedule to such Agreement.

**SCHEDULE TO THE AGREEMENT
IN RESPECT OF THE SERIES OF NOTES
CONSTITUTED BY THE CONSTITUTING INSTRUMENT**

This Schedule is the Schedule to the Agreement referenced on the preceding page. For the avoidance of doubt, the Agreement and this Schedule relate solely to the Charged Agreement entered into between Party A and Party B in respect the Notes constituted by the Constituting Instrument referenced on the preceding page.

In this Schedule “**Notes**” means the Notes of the relevant Series constituted by the relevant Constituting Instrument and “**Charged Assets**” and “**Noteholders**” bear the meaning ascribed thereto in the Conditions of the Notes of the relevant Series.

This Agreement shall not be construed in any circumstances to form a single agreement with two or more Confirmations together unless specific provision to that effect is made in the relevant Confirmation(s) and/or Constituting Instrument. It is understood that the parties would not otherwise enter into any Transaction or Transactions. References to this “**Agreement**” in respect of a Transaction or Transactions mean this document together with the Confirmation(s) relating to that Transaction or Transactions. The terms and provisions of the Agreement in all instances shall be read and construed so as to give effect to the foregoing.

Each Charged Agreement shall be constituted by the Agreement and a Confirmation or Confirmations evidencing the Transaction or Transactions to be outstanding thereunder (the “**Transaction**” or “**Transactions**”), each such Confirmation constituting a Confirmation for the purposes of the relevant Agreement.

Notwithstanding anything to the contrary in this Agreement, in respect of a Series of Notes, each Agreement, each relevant Confirmation and each Transaction shall form a single agreement with respect to that Series of Notes. “**Transaction**”, “**Transactions**” and “**Agreement**” shall be interpreted accordingly and no other Agreements and no other Confirmations and Transactions in respect of any other Series of Notes shall be subject to, governed by or made part of such Agreement.

If, in respect of a Series of Notes, the Constituting Instrument therefor provides that Party A and Party B are parties to a Credit Support Annex (Bilateral Form – Transfer) governed by English law (“**Credit Support Annex**”) in respect of such Series of Notes, then the Transaction evidenced by such Credit Support Annex shall be a Transaction subject to, governed by and made part of the Agreement in respect of such Series of Notes.

1. **Termination Provisions**

In this Agreement:

1.1 **"Specified Entity"**: means in relation to Party A for the purpose of:

Section 5(a)(v), Not Applicable
Section 5(a)(vi), Not Applicable
Section 5(a)(vii), Not Applicable
Section 5(b)(iv), Not Applicable

in relation to Party B for the purpose of:

Section 5(a)(v), Not Applicable
Section 5(a)(vi), Not Applicable
Section 5(a)(vii), Not Applicable
Section 5(b)(iv), Not Applicable

1.2 **"Specified Transaction"**: will have the meaning specified in Section 14.

1.3 **"Cross Default"**: the provisions of Section 5(a)(vi) will not apply to either Party A or Party B.

1.4 **"Credit Event Upon Merger"**: the provisions of Section 5(b)(iv) will not apply to either Party A or Party B.

1.5 **"Automatic Early Termination"**: the provisions of Section 6(a) will not apply to either Party A or Party B.

1.6 **Payments on Early Termination**. For the purpose of Section 6(e) of this Agreement:

- (1) Market Quotation will apply; and
- (2) The Second Method will apply.

1.7 **"Termination Currency"**: means the currency in which the Notes are denominated.

1.8 **"Affected Transactions"**: If there is more than one Transaction outstanding under the Agreement in relation to a Series of Notes and an Early Termination Date is designated or deemed to occur in respect of any one Transaction under the Agreement in relation to a Series of Notes, all Transactions shall be Affected Transactions in respect of such Agreement and Series of Notes.

1.9 **"Additional Termination Event"** will apply as follows:

- (1) If at any time the Notes become repayable in full prior to the maturity date thereof in accordance with the Conditions thereof an Additional Termination Event will be deemed to have occurred; or
- (2) If at any time the Transaction is required to be terminated in part pursuant to any of Paragraphs 1.10 or 1.11 below, an Additional Termination Event will be deemed to have occurred, but only with respect to that part of the Transaction which terminates pursuant to such paragraph; or

- (3) If the event specified in Paragraph 1.12 occurs in relation to the Notes an Additional Termination Event will be deemed to have occurred.

For the purposes of the foregoing Additional Termination Events the Affected Party shall be Party B.

1.10 If some (but not all) of the Notes are to be redeemed by Party B pursuant to the paragraph headed "Alternative Procedures" of Condition 1(b)(3) or Condition 7(f) of the Notes (and subject, where applicable, to the prior payment in respect of and/or delivery of such relevant proportion of the Charged Assets to the Swap Counterparty as is required to fund the relevant early Redemption Amount or Issuer Optional Redemption Amount, as the case may be) then:

(A) the obligations of Party B to make payment or delivery to Party A in respect of each Transaction outstanding under the Agreement after the date of such redemption shall be terminated:

(1) in the event that there are Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been received by Party B on the Charged Assets to be released from the security granted in favour of the Trustee by or pursuant to the Constituting Instrument and, if applicable, any Additional Charging Instrument consequent upon such redemption; or

(2) in the event that there are no Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so redeemed; and

(B) Party A's obligations to make payment or delivery to Party B in respect of each Transaction outstanding under the Agreement after such date shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so redeemed.

Party B shall at any time and from time to time if it receives notice in writing to such effect from Party A but not otherwise exercise its Sale/Redemption Right pursuant to Condition 1(b)(3) (*U.S. Series/U.S. Tranche – Alternative Procedures*) in accordance with the instructions contained in such notice.

1.11 If Party A receives a notice that some or all of the Notes are to be purchased by Party B pursuant to Condition 7(g) (*Purchase*) of the Notes having given its consent to such purchase in accordance with such Condition (and subject, where applicable, to the prior payment in respect of and/or delivery of such relevant proportion of the Charged Assets to the Swap Counterparty as is required to fund the relevant early Redemption Amount or Issuer Optional Redemption Amount, as the case may be) then:

(A) the obligations of Party B to make payment or delivery to Party A in respect of each Transaction outstanding under the Agreement after the date of such purchase shall be terminated:

(1) in the event that there are Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been received by Party B on the Charged Assets to be released from the security granted in favour of the Trustee by or pursuant to the

Constituting Instrument and, if applicable, any Additional Charging Instrument consequent upon such purchase; or

- (2) in the event that there are no Charged Assets in relation to the Series of Notes, to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so purchased; and

(B) Party A's obligations to make payment or delivery to Party B in respect of each Transaction outstanding under the Agreement after such date shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so purchased.

1.12 If Party A receives a notice that the Notes are to be exchanged for Notes of a New Series pursuant to Condition 7(h) (*Exchange of Series*) of the Notes having given its consent to such purchase in accordance with such Condition, then the obligation of each of Party A and Party B to make payment or delivery to the other party in respect of each Transaction outstanding under the Agreement after the date of such exchange shall be terminated in full.

1.13 On receiving a notice referred to in Paragraphs 1.10 or 1.11 or 1.12 above Party A will calculate the amount owing hereunder to it as a result of such termination or by it as a result of such termination, unless the Confirmation in relation to any Transaction so terminated in whole or in part expressly provides otherwise. Amounts due from Party A to Party B or from Party B to Party A, as the case may be, will be made to the account of the relevant party specified in the Confirmation. All such payments will be made on the date specified in such notice or, in the case of Paragraph 1.10 above, on the due date of redemption of the Notes in question or, in the case of Paragraph 1.12 above, on the date of cancellation of the Notes and issue of the Notes of the New Series.

1.14 Separate Agreements: Section 1(c) shall be deleted and replaced with the following:

"Notwithstanding anything to the contrary in this Agreement, in respect of a Series of Notes, each Agreement, each relevant Confirmation and each Transaction shall form a single agreement with respect to that Series of Notes. "**Transaction**", "**Transactions**" and "**Agreement**" shall be interpreted accordingly and no other Agreements and no other Confirmations and Transactions in respect of any other Series of Notes shall be subject to, governed by or made part of such Agreement.

This Agreement shall not be construed in any circumstances to form a single agreement with two or more Confirmations together unless specific provision to that effect is made in the relevant Confirmation and/or Constituting Instrument. It is understood that the parties would not otherwise enter into any Transaction or Transactions. References to this "**Agreement**" in respect of a Transaction or Transactions mean this document together with the Confirmation relating to that Transaction or Transactions. The terms and provisions of the Agreement in all instances shall be read and construed so as to give effect to the foregoing."

2. Tax Representations

2.1 Payer Representation: For the purpose of Section 3(e) of this Agreement, each of Party A and Party B will make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or

withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representation made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be in a breach of this representation where reliance is placed on item (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

2.2 Payee Representations: None.

3. **Agreement to Deliver Documents**

For the purpose of Sections 3(d) and 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

(A) Tax forms, documents or certificates to be delivered are:

<u>Party required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>
Not applicable	Not applicable	Not applicable

(B) Other documents to be delivered are:

<u>Party Required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Section 3(d) Representation</u>
Party B	Legal opinion of counsel in the jurisdiction of incorporation of Party B	At signing of the Constituting Instrument relating to the Notes	No
	Letter from agent for service of process confirming acceptance of appointment	At signing of the Constituting Instrument relating to the Notes	No
	Copy of resolution of board of directors authorising execution of the Charged Agreement constituted by the Constituting Instrument relating to the Notes of the relevant Series and the Confirmation thereunder	At signing of the Constituting Instrument relating to the Notes	Yes
	A duly authorised and executed Power of Attorney appointing persons to execute, <i>inter</i>	At signing of the Constituting Instrument relating to the Notes	Yes

alia, the Charged Agreement constituted by the Constituting Instrument relating to the Notes of the relevant Series and the Confirmation thereunder, or other evidence of due authorisation of a signatory hereto

4. **Miscellaneous**

4.1 Addresses for Notices: For the purpose of Section 12(a):

- (A) Address for notices of communications to Party A: As specified in the Constituting Instrument relating to the Notes of the relevant Series.
- (B) Address for notices or communications to Party B: As specified in the Constituting Instrument relating to the Notes of the relevant Series.

4.2 Process Agent: For the purpose of Section 13(c):

Party A appoints as its Process Agent: Not applicable.

Party B appoints as its Process Agent the person specified as agent for service of process in the Constituting Instrument relating to the Notes of the relevant Series.

4.3 Offices: The provisions of Section 10(a) will apply to this Agreement.

4.4 Multibranch Party: For the purpose of Section 10(c):

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

4.5 Calculation Agent: The Calculation Agent is Party A unless another entity is specified as Calculation Agent in respect of a Transaction in the Confirmation therefor. Party A (in its own capacity and as Calculation Agent or otherwise) is not acting as a fiduciary for or as an advisor to any person or entity in respect of its duties as Calculation Agent or otherwise in connection with this Agreement or any Transaction hereunder and shall have no obligation to take any person or entity's (other than its own) interest or position into consideration in making any calculation or taking or refraining from taking any action in connection herewith or therewith.

4.6 Credit Support Document: Details of any Credit Support Document:

Party A: None, unless in respect of a Series of Notes, the Constituting Instrument therefor specifies that Party A is required to deliver a Credit Support Annex in which event such Credit Support Annex shall constitute a Credit Support Document in respect of Party A and such Series of Notes.

Party B: None.

4.7 Credit Support Provider: Credit Support Provider means in relation to Party A: Not applicable.

Credit Support Provider means in relation to Party B: Not applicable.

4.8 Governing Law: This Agreement will be governed by and construed in accordance with English law.

4.9 "Affiliate": will have the meaning specified in Section 14 unless another meaning is specified here: No change from Section 14 except that with respect to Party B it shall mean any person or entity controlled, directly or indirectly, by Party B.

5. Other Provisions

5.1 No Set-off

(A) All payments under this Agreement shall be made without set-off or counterclaim except as expressly provided for in Section 6.

(B) Section 6(e) shall be amended by the deletion of the following sentence "The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off."

5.2 Security interest and transfer

Section 7 shall be replaced by the following:

"Except as otherwise contemplated by Clauses 9.2 and 16.2 of the Master Trust Terms incorporated into the Trust Deed by the Constituting Instrument relating to the Notes of the relevant Series (as defined in the Conditions of the Notes), neither this Agreement nor any interest or obligation in or under it may be transferred (whether by way of security or otherwise) by either party except in accordance with the following:

(A) subject to the consent of the Trustee, a party may make such a transfer of all or part of its interest in any amount payable to it from a Defaulting Party under Section 6(e);

(B) subject to the consent of the Trustee and provided that, if such transfer is proposed by Party A and the Notes are then rated at the request of the Issuer by a Rating Agency, such Rating Agency is notified of such substitution and confirms to the Trustee that its then current rating of such Notes by it will not be withdrawn or adversely affected by such transfer, a party may make such transfer of this Agreement to another entity as it shall deem appropriate, whether or not such transfer is pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, such other entity (but without prejudice to any other right or remedy under this Agreement); and

(C) the Issuer may charge, assign or otherwise create security over its rights under this Agreement in favour of the Trustee pursuant to the Constituting Instrument or any Additional Charging Instrument.

Any purported transfer that is not in compliance with this Section will be void.”.

5.3 Disapplication of certain Events of Default

Sections 5(a)(ii), 5(a)(iv), 5(a)(v), 5(a)(vi), 5(a)(vii)(9) and 5(a)(viii) will not apply in respect of Party A or Party B.

5.4 Disapplication of certain Termination Events

Sections 5(b)(ii), 5(b)(iii) and 5(b)(iv) shall not apply to either party.

5.5 Transfer to avoid Termination Event

Sections 6(b)(ii) and 6(b)(iii) shall not apply.

5.6 Amendments

Section 9(b) is amended by the addition at the end thereof of the following additional sentences:

“Subject as provided below, if the Notes are rated, any such amendment, modification or waiver shall be subject to prior written notification to each Rating Agency and to confirmation from each Rating Agency as to there being no adverse change caused to the rating granted to the Notes by each Rating Agency that originally assigned a rating to such Notes at or about the time of issuance thereof. The immediately preceding sentence shall not apply to Party A and Party B entering into the Transactions under the Confirmation of even date herewith. This Section 9(b) shall not apply to any amendment, modification or waiver to the Confirmation dated of even date herewith pursuant to the terms of such Confirmation, which amendment, modification or waiver expressly does not require the consent of Party B or is permitted to be made by Party A pursuant to the terms of such Confirmation or which amendment, modification or waiver is deemed to occur pursuant to the terms of such Confirmation.”.

5.7 Additional representation

Section 3 is amended by the addition at the end thereof of the following additional representations:

“(g) **No Agency.** It is entering into this Agreement and the Transaction(s) as principal and not as agent of any person.

“(h) **Expertise.** It has sufficient knowledge and expertise to enter into the Transaction(s) and is relying on its own judgment and not on advice of the other Party.”.

5.8 Recording of conversations

Each party to this Agreement acknowledges and agrees to the tape recording of conversations between the parties to this Agreement whether by one or other or both of the parties.

5.9 Relationship between the parties

The Agreement is amended by the insertion after Section 14 of an additional Section 15, reading in its entirety as follows:

“15. Relationship between the parties

Each party will be deemed to represent to the other party on the date on which it enters into the Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for the Transaction):

(a) Non Reliance

It is acting for its own account and it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into the Transaction; it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. It has not received from the other party any assurance or guarantee as to the expected results of the Transaction.

(b) Assessment and Understanding

It is capable of accepting the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the financial and other risks of the Transaction.

(c) Status of Parties

The other party is not acting as a fiduciary or an adviser for it in respect of the Transaction.

(d) Transactions in the Collateral

It understands that the other party and its Affiliates may engage in proprietary trading for its own account in the Collateral or similar instruments and that such trading may affect the value of the Collateral.”.

5.10 Tax

Notwithstanding the definition of “Indemnifiable Tax” in Section 14 of this Agreement, in relation to payments by Party A, no Tax shall be an Indemnifiable Tax and, in relation to payments by Party B, no Tax shall be an Indemnifiable Tax and accordingly Section 2(d)(i)(4) and Section 2(d)(ii) of this Agreement shall not apply. Section 4(e) shall not apply to Party B.

5.11 Non-petition/limited recourse

Notwithstanding any other provision hereof, of any Charged Agreement or of the Confirmation relating thereto or otherwise, Party A hereby acknowledges that it shall have recourse in respect of any claim under the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or under the Confirmation relating thereto and forming part thereof against Party B (whether arising under such Charged Agreement, such Confirmation, the general law, or otherwise) only to the Collateral (or part thereof if so provided in the Constituting Instrument relating to the Notes) relating to the Notes of the relevant Series and that, the security constituted in its favour by or pursuant to the Constituting Instrument relating to the Notes of the relevant

Series and/or, if applicable, any Additional Charging Instrument having been enforced, any claim under the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof which it has against Party B and which is not met out of the proceeds of enforcement of such security (as applied in accordance with the provisions of the relevant Constituting Instrument) shall be extinguished and (save for lodging a claim in the liquidation of Party B initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of Party B) Party A will not take any further action against Party B in respect thereof and will not have any claim in respect of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof against the Collateral or Charged Assets relating to any other Discrete Series or Alternative Investments issued by Party B or against any other assets of Party B. It is a fundamental term of any debt comprising amounts owing to Party A by Party B under the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof that Party A shall not be entitled to exercise any right of set-off, lien, consolidation of accounts or other similar right arising by operation of law or otherwise against Party B other than in its capacity as Party A, and then solely in respect of rights arising, under the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto and forming part thereof and not in respect of any other agreement and shall not petition or take any other step for the winding-up of Party B in relation to such debt (save as aforesaid). This provision shall survive termination for any reason whatsoever of the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument or the Confirmation relating thereto.

5.12 Payments

Section 2(c) shall not apply. There shall be inserted the following additional paragraph as Section 2(f):

- “(f) **Same day payments.** If on any date (a “**Relevant Date**”) amounts are payable in respect of the same Transaction, by each party to the other, then the amount payable by Party A (the “**Party A Payment**”) shall not be so payable until the amount payable by Party B (the “**Party B Payment**”) shall have been duly paid and received in full in accordance with the provisions of this Agreement. If on a Relevant Date, Party A shall not have received evidence satisfactory to it of the payment and receipt of the Party B Payment (“**Party B Payment Evidence**”), it shall be entitled but not obliged to pay the Party A Payment to an interest bearing escrow account in its name with the Principal Paying Agent on terms that the Party A Payment shall be paid to Party B in accordance with this Agreement if Party A shall have notified the Principal Paying Agent that it has received the Party B Payment Evidence but otherwise the Party A Payment shall be immediately repaid in full together with any accrued interest by the Principal Paying Agent to Party A for Party A's sole use and benefit:
- (i) if Party A shall notify the Principal Paying Agent that there has occurred an Event of Default with respect to Party B or a Termination Event; or
 - (ii) in any event (if the Party A Payment shall not at such time have been paid to Party B in accordance with this Section 2(f)), immediately before close of business on the third Local Business Day after the Relevant Date.

The making or withholding of any Party A Payment or the taking or omission to take any other action by Party A in the circumstances and in the manner set out in this Section 2(f) shall not constitute an Event of Default or a Termination Event, in either such case, with respect to Party A. Party A shall as against Party B be absolutely beneficially entitled to any interest accrued on the escrow account referred to above.”.

5.13 Section 5(a)(vii)

Section 5(a)(vii) shall apply with respect to Party B with the following amendments:

- (i) Section 5(a)(vii)(2) shall not apply.
- (ii) Section 5(a)(vii)(3) shall take effect with the words “the Noteholders” substituted for “its creditors”.
- (iii) Section 5(a)(vii)(4) is hereby deleted and replaced with the words “institutes or has instituted against it (other than by Party A or its Affiliates) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, or for the appointment of an examiner to it and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or the appointment of an examiner to it or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof”.
- (iv) Section 5(a)(vii)(5) is hereby amended by the insertion of the following words after the occurrence of the word “liquidation”:

“or sends a notice convening a meeting to propose a voluntary arrangement of the Noteholders”.
- (v) Sections 5(a)(vii)(6) and (7) shall take effect with the words “assets comprised in the Collateral (as defined in the Constituting Instrument)” substituted for “all or substantially all its assets”.
- (vi) Section 5(a)(vii)(7) is hereby amended by the insertion of the following words after the occurrence of the word “thereafter”:

“other than, for the avoidance of doubt, in the case of Party B, by the creation of any security interest in respect of Party B’s assets pursuant to the trust deed in respect of any Series of Notes, the Deed of Charge or the Deed of Floating Charge (if any)”.

5.14 Contracts (Rights of Third Parties) Act 1999

A person which is not a party to the Charged Agreement relating to the Notes of the relevant Series constituted by the Constituting Instrument relating to the Notes has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of such Charged Agreement or any agreement or deed or constituted hereby, but this does not affect any right or remedy of a third party which exists or is available apart from that Act (and is without prejudice to the right of the Trustee to enforce its security over such

Charged Agreement as contemplated by the Trust Deed relating to the Notes of the relevant Series).

5.15 Calculation of Settlement Amount

Notwithstanding the provisions of Section 6(e), the determination of any Settlement Amount shall be made by Party A in all circumstances except where Party A is the Defaulting Party, in which case it shall be made by Party B.

5.16 Notices

Section 12 of the Agreement is amended by the deletion of the following in the second to third lines thereof:

“(except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system).”.

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