

REGISTRATION DOCUMENT

FLAME CAPITAL I PLC
*(a company with limited liability
incorporated under the laws of Ireland)*

FLAME CAPITAL II PLC
*(a company with limited liability
incorporated under the laws of Ireland)*

EUR 15,000,000,000

Flame Capital Asset Backed Medium Term Note and Synthetic CDO Programme

This registration document has been prepared for the purpose of providing the disclosure information with regard to Flame Capital I plc and Flame Capital II plc (each, an "**Issuer**" and, together, the "**Issuers**"), for the issue of notes under the Flame Capital Asset Backed Medium Term Note and Synthetic CDO Programme (respectively, the "**Notes**" and the "**Programme**") and application has been made to the Irish Financial Services Regulatory Authority (the "**IFsRA**"), as competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the Republic of Ireland, for this registration document (the "**Registration Document**") to be approved. Such approval relates only to the Notes which are to be admitted to trading on the regulated market (within the meaning of the Investment Services Directive 93/22/EEC (the "**Investment Services Directive**")) of the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") or other regulated markets for the purposes of the Investment Services Directive or which are to be offered to the public in any member state of the European Economic Area for the purposes of the Prospectus Directive.

In respect of each series of Notes (each a "**Series**") to be admitted to the Official List of the Irish Stock Exchange and to be admitted to trading on the Irish Stock Exchange, or other regulated markets for the purposes of the Investment Services Directive or which are to be offered to the public in any Member State of the European Economic Area, this Registration Document, together with the relevant securities note for that Series (the "**Securities Note**") and, when required, the relevant summary note for that Series (the "**Summary Note**"), prepared for the purposes of Articles 5.2 and 5.3 of the Prospectus Directive, will constitute a full prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive, and shall be read in conjunction.

In respect of those Series not to be admitted to the Official List of the Irish Stock Exchange and not to be admitted to trading on the Irish Stock Exchange or other regulated markets for the purposes of the Investment Services Directive or which are not to be offered to the public in any Member State of the European Economic Area, this Registration Document shall be read in conjunction with the relevant pricing supplement for that Series (the "**Pricing Supplement**").

The principal assets comprising the Underlying Assets for a Series of Notes which is credit-linked to a Reference Portfolio (as defined below) (the "**Credit Linked Notes**") are, where so specified in the Issue Document, the Collateral Assets relating to such Series, purchased by the Issuer using the net proceeds of the offering of the Credit Linked Notes of such Series, together with the rights of the relevant Issuer under (a) a portfolio credit default swap relating to such Series (the "**CDS Transaction**") entered into on the relevant Issue Date between the relevant Issuer and the entity specified as the CDS counterparty (the "**CDS Counterparty**") referencing a portfolio (the "**Reference Portfolio**") pursuant to which the Issuer will sell credit protection to the CDS Counterparty, (b) an interest rate swap agreement relating to such Series (each an "**IRS Transaction**") entered into on the relevant Issue Date between the relevant Issuer and the CDS Counterparty and (c) if the Reference Portfolio is managed, an appointment letter (the "**Appointment Letter**") appointing a portfolio manager (the "**Portfolio Manager**") in respect of such Series, entered into on the relevant Issue Date between the Issuer and the Portfolio Manager in respect of the relevant Reference Portfolio, supplemental to a master portfolio management agreement (the "**Master Portfolio Management Agreement**" and, together with the Appointment Letter, the "**Portfolio Management Agreement**" in respect of such Series).

To the extent that an Issuer makes (or is deemed to make) credit protection payments to the CDS Counterparty pursuant to the CDS Agreement relating to a Series of Credit Linked Notes, the principal amount outstanding of the Credit Linked Notes of such Series shall be reduced and the amount of principal payable on the Credit Linked Notes at maturity may be less than the Initial Outstanding Principal Amount and may be zero. The amount payable in respect of interest shall also be reduced. Upon the occurrence of certain early redemption events, Noteholders of the Credit Linked Notes are exposed to loss of principal in respect thereof as a result of (i) a

termination payment being due from the relevant Issuer to the CDS Counterparty pursuant to the CDS Agreement and/or (ii) market risk in respect of the Collateral Assets.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and neither Issuer has registered nor will register as an "investment company" under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). Accordingly, the Notes may not be offered or sold in the United States (as defined in Regulation S (**Regulation S**) under the Securities Act) or to, or for the benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act and that will not require the relevant Issuer to register as an "investment company" under the Investment Company Act. **See "Form of the Notes" for a description of the manner in which Notes will be issued. For a description of certain restrictions on offers and sales of the Notes and on the distribution of this Registration Document together with the relevant Securities Note or Pricing Supplement, see "Subscription, Sale and Transfer Restrictions" below.**

The Notes are secured, limited recourse obligations of the relevant Issuer. Payments in respect of each Series of Notes are made solely from the Underlying Assets relating to such Series.

Prospective investors should be aware of the risks involved in investing in the Notes (see *Risk Factors* on pages 11 to 18 and, where applicable, the relevant Securities Note).

Arranger

Abbey National Treasury Services plc

Dealers

Abbey National Treasury Services plc

Banco Santander Central Hispano, S.A.

Santander Financial Products Limited

18 June 2007

Each of the Initial Issuers accepts responsibility for the information contained in the Registration Document. To the best of the knowledge and belief of each of the Issuers (which have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Dealers, the Arranger, the Portfolio Manager (if any), each Swap Counterparty and the Trustee have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Arranger, the Portfolio Manager (if any), any Swap Counterparty or the Trustee as to the accuracy or completeness of the financial information contained herein, or any financial statements or any supplementary information supplied in connection with the Programme or according to articles 10 to 16 of the Prospectus Directive (the "Supplemental Information").

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document or any financial statements or Supplemental Information. If given or made, such information or representation must not be relied upon as having been authorised by either the Issuers or any of the Dealers, the Arranger, the Portfolio Manager (if any), any Swap Counterparty or the Trustee.

The delivery of the Registration Document does not at any time imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any financial statements or any Supplemental Information is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arranger, the Portfolio Manager (if any), each Swap Counterparty and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme.

Where an Issuer wishes to issue Notes with a maturity of less than one year, it shall ensure that it is in full compliance with the notice by the Central Bank of Ireland of exemptions granted under Section 8(2) of the Central Bank Act, 1971 (as amended).

By virtue of the issue of the Notes, the Issuers are not and will not be regulated by the IFSRA. Any investment in the Notes will not have the status of a bank deposit and will not fall within the deposit protection scheme operated by the IFSRA.

All references in this document to "€", "euro" and "EUR", are to the lawful currency of the member states of the European Union that maintain the single currency in accordance with the Treaty establishing the European Union, as amended.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Registration Document. Any representation to the contrary is a criminal offence. Prospective purchasers of Notes that are qualified institutional buyers (**QIBs**) (as defined in Rule 144A under the Securities Act (**Rule 144A**)) are hereby notified that the seller of such Notes may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder.

This Registration Document, together with any Securities Note or Summary Note, is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. It may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Notwithstanding any provision herein and the otherwise confidential nature of this Registration Document and its contents, and effective from the date of commencement of discussions concerning the offering of the Notes, each party hereto (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this transaction and all materials of any kind (including opinions and other tax analyses) that are provided to it relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause this offering not to be in compliance with securities laws. In addition, no person may disclose the name of or identifying information with respect to any party identified herein or other non-public business or financial information that is unrelated to the tax treatment or tax structure of this transaction without the prior consent of the Issuer. For purposes of this paragraph, the tax treatment of this transaction is the purported or claimed U.S. federal income tax treatment of this transaction and the tax structure of this transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of this transaction.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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SUMMARY

The following summary is qualified in its entirety by the remainder of this Registration Document, and any Securities Note, Summary Note or Pricing Supplement.

Issuers:	Each of Flame Capital I plc and Flame Capital II plc were incorporated with limited liability under the laws of the Republic of Ireland on 10 August 2005 with company registration numbers 406444 and 406445 respectively. The registered office of each Issuer is at 5 Harbourmaster Place, International Financial Services Centre, Dublin 1.
Description:	EUR 15,000,000,000 Flame Capital Asset Backed Medium Term Note and Synthetic CDO Programme pursuant to which the Issuers may issue Notes, including Credit Linked Notes.
Size:	Up to EUR 15,000,000,000 (or the equivalent in other currencies calculated in accordance with the Programme Dealer Agreement) outstanding at any time.
Arrangers:	Abbey National Treasury Services plc.
Dealers:	Abbey National Treasury Services plc. Banco Santander Central Hispano S.A. Santander Financial Products Limited. The Issuer may from time to time appoint additional dealers either in respect of one or more Series of Notes or in respect of the whole Programme or terminate the appointment of any dealer under the Programme.
Trustee:	Deutsche Trustee Company Limited.
Issuing and Principal Paying Agent and Custodian:	Deutsche Bank AG, London Branch.
Irish Paying Agent:	Santander Financial Products Limited.
Calculation Agent:	Deutsche Bank AG, London Branch.
Transfer Agent and Regulation S Registrar:	Deutsche Bank Luxembourg S.A.
Rule 144A Registrar:	Deutsche Bank Trust Company Americas
Method of Issue of Notes:	The Notes may be issued as Bearer Notes, serially numbered in Specified Denomination(s) or as Registered Notes in Specified Denomination(s) or in each case in an integral multiple thereof. The Notes will be issued in series consisting of one or more tranches. A Series of Notes may comprise a number of tranches, each of which will be issued on identical terms save for its Issue Date, its issue price

and the amount and date of the first interest payment. Notes of different Tranches of the same Series or Class will be fungible, except as set forth in the Issue Document and (if applicable) the Portfolio Management Agreement and the other Transaction Documents. Interest bearing definitive Bearer Notes are issued with interest coupons (and, where appropriate, a talon for further Coupons attached) save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. A Registered Note Certificate in respect of a Holder's entire holding of Registered Notes of a Series or Class will be issued substantially in one of the forms set out in the Principal Trust Deed. Title to Bearer Notes, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Notes passes by registration in the Register which shall be kept by the relevant Registrar. The specific terms of each Tranche will be set out in the relevant Issue Document.

Credit Linked Notes:

The principal assets comprising the Underlying Assets for a Series of Notes which is credit-linked to a Reference Portfolio (as defined below) (the "**Credit Linked Notes**") are, where so specified in the Issue Document, the Collateral Assets relating to such Series, purchased by the Issuer using the net proceeds of the offering of the Credit Linked Notes of such Series, together with the rights of the relevant Issuer under (a) a portfolio credit default swap relating to such Series (the "**CDS Transaction**") entered into on the relevant Issue Date between the relevant Issuer and the entity specified as the CDS counterparty (the "**CDS Counterparty**") referencing a portfolio (the "**Reference Portfolio**") pursuant to which the Issuer will sell credit protection to the CDS Counterparty, (b) an interest rate swap agreement relating to such Series (each an "**IRS Transaction**") entered into on the relevant Issue Date between the relevant Issuer and the CDS Counterparty and (c) if the Reference Portfolio is managed, an appointment letter (the "**Appointment Letter**") appointing a portfolio manager (the "**Portfolio Manager**") in respect of such Series, entered into on the relevant Issue Date between the Issuer and the Portfolio Manager in respect of the relevant Reference Portfolio, supplemental to a master portfolio management agreement (the "**Master Portfolio Management Agreement**" and, together with the Appointment Letter, the "**Portfolio Management Agreement**" in respect of such Series).

To the extent that an Issuer makes (or is deemed to make) credit protection payments to the CDS Counterparty pursuant to the CDS Agreement relating to a Series of Credit Linked Notes, the principal amount outstanding of the Credit Linked Notes of such Series shall be reduced and the amount of principal payable on the Credit Linked Notes at maturity may be less than the Initial Outstanding Principal Amount and may be zero. The amount payable in respect of interest shall also be reduced. Upon the occurrence of certain early redemption events, Noteholders of the Credit Linked Notes are exposed to loss of principal in respect thereof as a result of (i) a termination payment being due from the relevant Issuer to the CDS Counterparty pursuant to the CDS Agreement and/or (ii) market risk

in respect of the Collateral Assets.

Notes sold to U.S. Persons:

Unless otherwise provided in any Issue Document, Notes in registered form may be sold in the United States only to investors that are both (A) QIBs who purchase such Notes for their own account or for the account of a QIB that is also a Qualified Purchaser (as defined below) in reliance on the exemption from the registration requirements provided by Rule 144A and (B) "qualified purchasers" (as such term is defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder), each a "**Qualified Purchaser**", and in accordance with any applicable securities laws of any state of the United States. Notes sold to U.S. Persons may initially be represented by one or more Restricted Global Note Certificates or by Restricted Individual Note Certificates.

Classes of Notes:

Notes of a Series may be issued in various classes (each a "**Class**") (as further specified in the Issue Document) which classes will rank in priority of payment in the order specified in the Supplemental Trust Deed applicable to such Series of Notes and as described in the Issue Document.

Co-Issue:

Notes may be issued jointly and severally by one or more Issuers when so specified in the Issue Document. Any payment by one of two or more joint Issuers shall reduce or extinguish the corresponding liabilities of the other joint Issuers.

Status of the Notes:

As specified in the Issue Document and as further detailed in the Conditions, the Notes may be Unsubordinated Notes or Subordinated Notes. If the Notes are specified as being Unsubordinated, the Notes, Coupons and Receipts (if any) are limited recourse obligations of the Issuer, secured, unless otherwise specified in the Issue Document, in the manner described in Condition 4 (*Security and Related Agreements*) and recourse in respect of which is limited in the manner described in Condition 12 (*Limited Recourse and Enforcement*) and will rank *pari passu* without any preference among themselves.

If the Notes are specified as being Subordinated, the subordination provisions will be set out in full in the Issue Document.

Security and Related Agreements:

In connection with the Notes of any Series or Class, the Issuer may enter into one or more Related Agreements, Deposit Agreements, Repo Agreements or Securities Transfer Agreements, with one or more Counterparties. The obligations of a Counterparty may be guaranteed by a duly authorised Guarantor. The Trust Deed will provide that the obligations of the Issuer to the Trustee on its own behalf and on behalf of the Holders under the Notes, Coupons and Receipts (if any) of a Tranche or Series appertaining thereto and to the other Secured Creditors are, unless otherwise specified in the Issue Document, secured by security interests (governed by English law and/or the law of any other relevant jurisdiction) over certain Underlying Assets as specified in the relevant Supplemental Trust Deed and/or Issue Document.

If so specified in the relevant Issue Document, and subject to certain

conditions, the Issuer may from time to time (i) substitute alternative assets ("**Substitute Assets**") for the Related Assets as the Issuer may deem appropriate and, on such substitution, on such terms as are set out in the Issue Document, terminate, replace or amend, in view of the income expected to be received in respect of any such Substitute Assets, any Related Agreement or (ii) substitute or replace any Deposit Agreement, Repo Agreement, Swap Agreement or any other Related Agreement for another such agreement or arrangement ("**Substitute Agreements**").

Application of Proceeds:

See Condition 5 (*Application of Proceeds*).

Restrictions:

So long as any of the Notes remain outstanding, the Issuer will be subject to certain restrictions, as further detailed in Condition 6 (*Restrictions*).

Interest:

Each Note (other than a Credit Linked Note, a Zero Coupon Note or a Non-Interest Bearing Note) bears interest on its Principal Amount (or as otherwise specified in the Issue Document), each Credit Linked Note bears interest on its Average Notional Amount (or as otherwise specified in the Issue Document), in each case, from the Interest Commencement Date at the Interest Rate, such interest being payable in arrears (unless otherwise specified in the Issue Document) on each Interest Payment Date. For further details on interest and other calculations in relation to *inter alia* Fixed Coupon Amounts, Credit Linked Notes, Notes other than Credit Linked Notes, Floating Rate Notes, Variable Interest Notes, Dual Currency Notes and Zero Coupon Notes, see Condition 7 (*Interest and other Calculations*).

Redemption, Purchase and Exchange:

Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its Redemption Amount on the date or dates (or, in the case of Floating Rate Notes, on the date or dates upon which interest is payable) specified in the Issue Document, provided that if, in respect of Credit Linked Notes, as of the Scheduled Maturity Date or Deferred Interest Payment Date, there are Unsettled Credit Events in respect of any Reference Entity, the provisions of Condition 8.1 (*Redemption at Maturity*) relating to Withheld Principal shall apply.

If any of the Mandatory Redemption Events occur, unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its Redemption Amount on the date or dates (or, in the case of Floating Rate Notes, on the date or dates upon which interest is payable) specified in the Issue Document, provided that if, in respect of Credit Linked Notes, as of the Scheduled Maturity Date or Deferred Interest Payment Date, there are Unsettled Credit Events in respect of any Reference Entity, the provisions of Condition 8.1 (*Redemption at Maturity*) relating to Withheld Principal shall apply. For details on redemption for taxation and other reasons, purchase, early redemption of Zero Coupon Notes, redemption of Variable Redemption Notes, redemption at Issuer's option, redemption at Noteholder's option, redemption by instalments, redemption on the occurrence of a Credit Event, cancellation, exchange, forced transfer and physical delivery, see Condition 8 (*Redemption, Purchase and Exchange*).

Limited Recourse:	The Notes represent limited recourse obligations of the relevant Issuer. (See Condition 12 (<i>Limited Recourse and Enforcement</i>)).
Governing Law:	English.
Listing of Notes:	Application has been made for Notes issued under the Programme within 12 months of this Registration Document to be admitted to the Official List and to trading on the regulated market (within the meaning of the Investment Services Directive) of the Irish Stock Exchange. In addition, application may be made for certain series of Notes to be listed on any other exchange. Certain Series of Notes may be unlisted.
Rating:	Notes of any Series may be rated by a Rating Agency, as specified in the relevant Issue Document.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Ireland, the United Kingdom and Spain) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale and Transfer Restrictions</i> ".
ERISA Restrictions:	See Condition 1.5 (<i>Employee Benefit and Similar Plans</i>).

RISK FACTORS

The purchase of the Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set out in this Registration Document, any Securities Note and Issue Document and, in particular, the considerations set out below and in any Securities Note.

Credit Linked Notes are not principal protected from losses in respect of the Reference Portfolio, taking into account the relevant thresholds, and purchasers of the Credit Linked Notes are exposed to full loss of principal in respect thereof.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes. Some of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Registration Document and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.

References to "Issuer" herein are references to the relevant Issuer in respect of (and only to the extent of) the Notes issued by it and such references specifically exclude any other Issuer. No Issuer shall have any obligation in respect of any Notes issued by any other Issuer.

Prospective investors in any Notes of the Issuers should read the entire Prospectus. Investing in the Notes of the Issuers involves certain risks. Prospective investors should consider, amongst other things, the following:

Investor suitability

Investment in the Notes may only be suitable for investors who:

- (a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes and the rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Each prospective purchaser of Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the Counterparties and any relevant obligor(s) in respect of the Collateral Assets and the Reference Entities) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (a) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (b) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (c) is a fit, proper and suitable investment for it (or if it is acquiring the Credit Linked Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Trustee, the Portfolio Manager (if any), the Arranger, the Dealers or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Notes.

Neither this Registration Document nor any Issue Document is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or constituting an invitation or offer that any recipient of this Registration Document or any Issue Document should purchase any Notes. The Trustee, the Portfolio Manager (if any), the Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer, the Counterparties, any relevant obligor(s) in respect of the Collateral Assets or any Reference Entity for any Series of Notes during the life of such Notes.

Risks relating to the Issuers

The Issuers are special purpose vehicles

The Issuers' sole business is raising money by issuing Notes or other obligations for the purposes of purchasing or acquiring assets and entering into related derivatives and other contracts. The Issuers have covenanted not to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuers have, and will have, no assets other than their respective issued and paid-up share capital, such fees (as agreed) payable to them in connection with the issue of a Series of Notes or entry into other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which a Series of Notes or other obligations are secured. There is no day to day management of the business of the Issuer.

No regulation of the Issuers by any regulatory authority

The Issuers are not required to be licensed, registered or authorised under any current securities, commodities or banking laws of their jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of that jurisdiction's laws to an Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on an Issuer or the holders of a Series of Notes.

Any investment in a Series of Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

Preferred creditors under Irish law

Under Irish law, the claims of a limited category of preferential creditors will take priority over the claims of unsecured creditors and holders of floating security in the event of the appointment of a liquidator or a receiver to an Irish company such as the Issuer. These preferred claims include taxes, such as income tax and corporation tax payable before the date of appointment of the liquidator or receiver and arrear of value added tax, together with accrued interest thereon and claims of employees.

It is of the essence of a fixed charge that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or

appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer, any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

In addition, there is a further limited category of super preferential creditors which take priority, not only over unsecured creditors and holders of floating security, but also over holders of fixed security. These super preferential claims include the remuneration, costs and expenses properly incurred by an examiner appointed to a company which claims have been approved by the Irish courts and any capital gains tax payable on the disposition of an asset of the company by a liquidator, receiver or mortgagee in possession.

The holder of a fixed security over the book debts (which would include the Trustee) of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing, to pay to them sums equivalent to those which the holder thereafter receives in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issue of a notice by the Irish Revenue Commissioners to the holder of the fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident by another person in order to discharge any liabilities of such Irish tax resident in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

An Issuer, the directors of such Issuer, a contingent, prospective or actual creditor of such Issuer, or shareholders of such Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of such Issuer are each entitled to petition the court for the appointment of an examiner. An examiner, once appointed, has the power to set aside contracts and arrangements entered into by the relevant company after his appointment and, in certain circumstances, can avoid a negative pledge given by the relevant company prior to his appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist the survival of the relevant company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of an Issuer, if the trustee for a Series of Notes represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions that are to be agreed to by such Issuer in the terms and conditions of each Series of Notes), the Trustee would be in a position to reject any proposal not in favour of the holders of Notes of such Series. It would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the holders of Notes of such Series, especially if such proposals included a writing down of the value of amounts due by such Issuer to the holders of such Notes.

The primary risks to the holders of Notes of a Series if an examiner were to be appointed to an Issuer are as follows:

- (a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by such Issuer to the holders of such Notes as secured by the Trust Deed or other security documents in respect of those Notes;
- (b) the potential for the examiner to seek to set aside any negative pledge in the terms and conditions of such Notes prohibiting the creation of security or the incurring of borrowings by such Issuer to enable the examiner to borrow to fund such Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and an Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of such Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by such Issuer to the holders of such Notes.

Risks relating to the Notes

Credit risk

The ability of the Issuer to meet its obligations under the Notes will be dependent, where applicable, upon the payment of principal and interest due on the Collateral Assets (if any), upon the payment of all sums due from the Counterparties under the Related Agreements, upon the Principal Paying Agent, the Registrar (if relevant) and the Custodian making the relevant payments when received and upon all parties to the Transaction Documents (other than the Issuer) performing their respective obligations thereunder. Moreover, in certain cases, the security for the Notes will be limited to the claims of the Issuer against the Counterparties under the Related Agreements. Accordingly, Noteholders are exposed, among other things,

to the creditworthiness of the obligor(s) in respect of the Collateral Assets, the Counterparties, the Principal Paying Agent, the Registrar (if relevant), the other Paying Agents and the Custodian.

Ratings

Ratings and ratings estimates on the Notes (if applicable) reflect a rating agency's perception of the ability to pay principal and interest when due and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, and therefore, credit ratings do not fully reflect all risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, and the credit quality of the Notes may be worse than a rating indicates. An investor should conduct its own analysis of all risks of the Notes.

Limited recourse

Claims against the Issuer by the Secured Creditors will be limited to the Underlying Assets relating to such Series. The proceeds of realisation of such Underlying Assets may be less than the sums due to the Secured Creditors. Any shortfall will be borne by the Secured Creditors in accordance with the Security Ranking Basis. The Issuer shall not be under any obligation to pay, and the other assets (if any) of the Issuer including, in particular, assets securing other Series of Notes will not be available for payment of, such shortfall. All claims in respect of such shortfall shall be extinguished. The Secured Creditors shall have no further claim against the Issuer in respect of such unpaid amounts and will accordingly not be able to petition for the winding up of the Issuer as a consequence of such shortfall.

The Notes of each Series are direct, limited recourse obligations of the Issuer alone and not of the officers, members, directors, employees, securityholders or incorporator of the Issuer, the Counterparties, the Trustee, the Portfolio Manager (if any), the obligor(s) in respect of any Collateral Assets or any Reference Entity or their respective successors or assigns. Furthermore, they are not obligations of, or guaranteed in any way by, the Arranger or the Dealers.

Offer and transfer and sale restrictions

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Issuer has not been and will not be registered as an "investment company" under the Investment Company 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 except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act to persons that are Qualified Purchasers whom the seller reasonably believes to be QIBs. For a description of certain restrictions on offers and sales of Notes in the United States, see "Subscription and Sale and Transfer Restrictions" below.

In addition, the Notes may not be purchased by or transferred to (i) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**), which is subject to Title I of ERISA, (ii) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**) or (ii) an entity whose underlying assets include plan assets subject to Title I of ERISA or Section 4975 of the Code.

Offers to purchase and subsequent transfers of Notes will be subject to the foregoing restrictions, and an investor's ability to resell the Notes may therefore be limited. Sales and transfers of Notes that would cause any Issuer to be required to register as an "investment company" under the Investment Company Act will not be honoured by the Issuer. The Issuer shall have the right at any time, at the expense and risk of the holder of Notes held by or on behalf of a U.S. Person or a person in the United States who is not a Qualified Purchaser and a QIB at the time it purchases such Notes to require such holder to sell such Notes to a person that is a Qualified Purchaser and a QIB or a non-U.S. Person outside the United States or, if such transfer is not made within the period specified in the notice to transfer, to redeem such Notes.

Risks relating to the Credit Linked Notes

Exposure to each Reference Portfolio under the Credit Linked Notes

Prospective investors who consider purchasing the Credit Linked Notes should reach an investment decision only after carefully considering the suitability of the Credit Linked Notes in light of their particular circumstances, particularly the risks associated with the relevant Reference Portfolio. The creditworthiness and/or performance of the relevant Reference Portfolio may be dependent upon economic, political, financial and social events locally and globally. There can be no assurance that such factors will not adversely affect any Reference Entity's creditworthiness and/or performance and, in turn, the performance of the Credit Linked Notes.

Holders of Credit Linked Notes ("Credit Linked Noteholders") may be exposed to a leveraged exposure to the performance of the Reference Portfolio in that the notional amount of the Reference Portfolio may be larger than the notional amount of the Series to which the Credit Linked Notes relate. The Credit Linked Notes have exposure to the risk of a reduction both in the interest and principal payments thereon. The Credit Linked Notes do not represent a claim against any Reference Entity and, in the event of any loss, Credit Linked Noteholders will not have recourse under the Credit Linked Notes to any Reference Entity. Unless otherwise stated in the Issue Document, the maximum loss of principal for the Credit Linked Noteholders is 100 per cent. of the initial investment.

The decision by any prospective investor to invest in the Credit Linked Notes should be based, among other things (including, without limitation, the identity of the Portfolio Manager, if any applicable), on the criteria which each Reference Entity and the relevant Reference Portfolio is required to satisfy. This Registration Document does not contain any specific information regarding any Reference Entities or the relevant criteria in respect of the Reference Portfolio.

In the case of Series in respect of which a Portfolio Manager is appointed, purchasers of any of the Credit Linked Notes may not have an opportunity to evaluate for themselves all the relevant economic, financial and other information regarding the Reference Portfolio management decisions to be made by the Portfolio Manager, acting on behalf of the Issuer and, accordingly, may be dependent upon the judgment and ability of the Portfolio Manager in making Reference Portfolio management decisions on behalf of the Issuer over time. No assurance can be given that the Portfolio Manager, acting on behalf of the Issuer, will be successful in making suitable Reference Portfolio management decisions. As a result, there can be no assurance at any point in time as to what the precise composition of each Reference Portfolio will be.

No investigation of Reference Entities

Except as provided for in any Portfolio Management Agreement, no investigations, searches or other enquiries have been made by or on behalf of the Issuer, the Arranger, the Dealers, the Trustee, the Swap Counterparty, the CDS Counterparty, any Agent or the Portfolio Manager (if any) and, in each case, any subsidiary, holding or associated company of any of them or by any other person or entity in respect of any Reference Entity, and no representations or warranties have been given by the Issuer, the Arranger, the Dealers, the Trustee, the Swap Counterparty, the CDS Counterparty, any Agent, the Portfolio Manager (if any) , or any subsidiary, holding or associated company of any of them or by any other person or entity in respect of the Reference Entities. Any prospective purchaser of any Credit Linked Notes should take their own legal, financial, accounting, tax and other relevant advice as to the structure and the viability of their investments.

Evolving nature of the CDS Market

Differing interpretations could exist with respect to the definition of any Credit Event, which has led to different market practices in different jurisdictions. Therefore, in addition to the other risks summarised

herein, the CDS Agreement is also subject to the risk that the interpretation of the terms used therein may undergo changes that adversely affect investors.

Recovery rates

Recovery rates for Reference Entities that have suffered Credit Events can and do vary, often widely, from industry to industry and from time to time. Lower recovery rates means any subordination benefit is exhausted faster and means that, all else being equal, a Credit Linked Noteholder's losses are higher. Higher default rates are correlated with lower recovery rates. The occurrence of a Credit Event under the CDS Agreement and the recovery rates for the obligations of a Reference Entity for which a Credit Event occurs may be subject to the operation of bankruptcy or other insolvency laws in the jurisdiction applicable to such Reference Entity.

No legal or beneficial interest in the Reference Obligations

As a party to the CDS Agreement, the Issuer (as the seller of credit protection) has a contractual relationship with the CDS Counterparty (as the buyer of credit protection). The Issuer, however, has no rights in or to, or any security interest in respect of, any Reference Entity. The entry into the CDS Agreement by the Issuer does not constitute a purchase or other acquisition or assignment of any interest in any Reference Obligation. None of the Issuer, the Trustee, the Credit Linked Noteholders or any other entity has any right to acquire from the CDS Counterparty (or to require the CDS Counterparty to transfer, assign or otherwise dispose of) any interest in the Reference Obligations or any of them. The CDS Counterparty may or may not have an exposure to the credit of any of the Reference Entities.

None of the Issuer, the CDS Counterparty or the Portfolio Manager (if any) has undertaken any legal due diligence in respect of any Reference Portfolio.

Termination of the CDS Agreement

In the event of an early redemption pursuant to Condition 8.2 (*Mandatory Redemption*) or 11 (*Events of Default*), the Credit Linked Notes shall only be redeemed after the CDS Agreement has been terminated. On termination of the CDS Agreement, a termination payment may be due from either the Issuer or the CDS Counterparty in accordance with the close-out mechanism. Any such payment due from the Issuer to the CDS Counterparty will be paid in priority to payments due on the Notes pursuant to Condition 5 (*Application of Proceeds*).

The Portfolio Manager

The Issuer is reliant on the Portfolio Manager to make day to day decisions on its behalf with respect to each Reference Portfolio. Such day-to-day decisions of the Portfolio Manager are to be made in accordance with provisions of the Portfolio Management Agreement. The Portfolio Manager has been given the power in the Portfolio Management Agreement to manage each Reference Portfolio and to act in specific circumstances in relation to such Reference Portfolio on behalf of the Issuer pursuant to, and in accordance with, the Portfolio Management Agreement. In undertaking this role, the Portfolio Manager will make such investigation into any Reference Entity as it considers appropriate in its absolute discretion. Such investigations will be limited to a review of readily available public information and will not include due diligence of the kind common in relation to primary securities offerings.

The role of the Portfolio Manager in managing each Reference Portfolio includes the ability to substitute Reference Entities to or from the Reference Portfolio. As the composition of the Reference Portfolio will vary over time, the performance of the relevant Reference Portfolio will be dependent on the ability of the Portfolio Manager to analyse, to select and to manage the Reference Entities which are the subject of the substitutions in the Reference Portfolio in accordance with the provisions of the Portfolio Management Agreement.

The performance of any investment in the Credit Linked Notes will be in part dependent on the ability of the Portfolio Manager to manage the Reference Portfolio and the performance of the Portfolio Manager of its obligations under the Portfolio Management Agreement. No assurance can be made with respect to the future performance of the Reference Portfolio or the Portfolio Manager. The Portfolio Manager may from time to time acquire non-public information and is under no obligation to disclose such information to the Credit Linked Noteholders.

Potential investors should conduct such independent investigation and analysis of the Portfolio Manager as they deem appropriate to evaluate the merits and risks of an investment in the Credit Linked Notes.

Unless otherwise specified in the relevant Issue Document, fees payable to the Portfolio Manager in consideration for the Portfolio Manager managing the Reference Portfolio shall be paid to the Portfolio Manager in priority to payments due on the Notes pursuant to Condition 5 (*Application of Proceeds*).

In the case of Series in respect of which a Portfolio Manager is appointed, none of the CDS Counterparty, the Portfolio Agent, the Trustee, the Swap Calculation Agent or the Calculation Agent shall have any liability whatsoever for the actions or inactions of the Portfolio Manager and none of the CDS Counterparty, the Trustee or the Calculation Agent shall have any responsibility whatsoever for the monitoring of the performance of the Portfolio Manager or compliance with the conditions set out in the Master Portfolio Management Agreement. The CDS Counterparty, the Trustee, the Swap Calculation Agent and the Calculation Agent may assume that the Portfolio Manager is acting with the full authority of the Issuer and in compliance with all applicable legal, regulatory, contractual and corporate requirements and authorisations.

FLAME CAPITAL I PLC AND FLAME CAPITAL II PLC

General

Each of Flame Capital I plc and Flame Capital II plc was registered and incorporated on 10 August 2005 under the Irish Companies Acts 1963–2006 (as amended), registration number 406444 and 406445 respectively. The Issuers have been incorporated for an indefinite period. The registered office of each Issuer is at 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland and its telephone number is +35 31 4757850. The authorised share capital of each Issuer is Euro 40,000 divided into 40,000 ordinary shares of Euro 1 each, all of which have been issued. 39,994 of the issued ordinary shares of each Issuer are held by Deutsche International Finance (Ireland) Limited as share trustee (the "**Share Trustee**") and the remaining six are held by six nominee shareholders which hold such shares on trust for the Share Trustee. All the shares of Flame Capital I plc have been fully paid up. Seven of the issued shares of Flame Capital II plc have been fully paid up and the remaining 39,993 issued shares have each been paid up to 25 cents only. Under the terms of a declaration of trust (the "**Declaration of Trust**") dated 20 August 2005 the Share Trustee holds all the issued shares held directly or indirectly by it on trust for one or more Qualified Charities as defined in the Declaration of Trust. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of each Issuer.

Business

The Issuers have not engaged, in the period from its incorporation to the date of this Registration Document, in any activities other than those incidental to its incorporation under the Irish Companies Acts 1963-2006 (as amended), the establishment and listing of the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in this Registration Document and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of each Issuer are set forth in Clause 3 of its memorandum of association and include, *inter alia*, acquiring, investing in, selling, holding and managing financial assets or instruments or interests therein and their financing, refinancing or hedging by any means whatsoever, whether by way of loans, debentures, securities, stocks or other obligations, derivatives, hedge arrangements or any other appropriate methods of financing, with or without any security therefor.

Directors

The directors of each Issuer are as follows:

Name

Principal Activities Outside the Issuer

Conor Blake
Accountant

Michael Whelan
Accountant

The business address of Conor Blake and Michael Whelan is 5 Harbourmaster Place, IFSC, Dublin 1.

Santander Financial Products Limited has been appointed as the corporate services provider (the "**Corporate Services Provider**") of each Issuer pursuant to a corporate services agreement relating to the Programme (the "**Corporate Services Agreement**"). Its duties include the provision of certain administrative and related services, including acting as company secretary. The appointment of the Corporate Services Provider may be terminated and the Corporate Services Provider may retire upon 30 days written notice or forthwith on

written notice if the Corporate Services Provider commits a material breach of the Corporate Services Agreement, is insolvent or is the subject of certain insolvency related proceedings or actions, subject, in each case, to the appointment of an alternative corporate services provider.

Each Issuer has established a bank account with Allied Irish Bank, 7/12 Dame Street, Dublin 2.

Financial Statements

Since their respective dates of incorporation, the Issuers have not commenced operations and no financial statements of the Issuers have been prepared as at the date of this Registration Document. Each Issuer intends to publish its first audited financial statements in respect of the period 10 August 2005 to 31 December 2005 and further audited financial statements in respect of the year ending 31 December 2006. Any future published audited financial statements prepared by the relevant Issuer (which will, in each case, be in respect of the period ending on 31 December or such other date as may be decided by such Issuer) will be available from the registered office of such Issuer. The auditors of each Issuer, Deloitte & Touche, are Chartered Accountants (members of the Institute of Chartered Accountants in Ireland) and are qualified to practice in Ireland.

Capitalisation of each Issuer

The following table sets forth the unaudited capitalisation and indebtedness of each Issuer as at the date of this Registration Document:

FLAME CAPITAL I PLC

Euro

Shareholders' Funds

Share capital (Authorised: Euro 40,000; Issued 40,000 Ordinary Shares of Euro 1 each fully paid up):

40,000

Total Capitalisation:

40,000

FLAME CAPITAL II PLC

Euro

Shareholders' Funds

Share capital (Authorised: Euro 40,000; Issued 7 Ordinary Shares of Euro 1 each fully paid up and 39,993 Ordinary Shares of Euro 1 each paid up to 25 cents each):

10,005

Total Capitalisation:

10,005

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Dealers have, in the Programme Dealer Agreement, agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". In the Programme Dealer Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act that will not cause the relevant Issuer to become required to register as an "investment company" under the Investment Company Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Any offers and sales in the United States will only be made by dealers that are registered broker-dealers under Section 15 of the U.S. Securities Exchange Act of 1934, as amended.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to Qualified Purchasers whom they reasonably believe to be QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a Qualified Purchaser that is also a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**) or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to

furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Issue Document.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer 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:

- (a) 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;
- (b) 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;
- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) 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
- (d) 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.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 (“FSMA”) by the Issuer;

- (b) 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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;
- (b) 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 – 2004 (as amended) and any codes of conduct rules made under Section 117(1) thereof;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the IFSRA; and
- (d) 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 under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by IFSRA.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Registration Document and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Issue Documents.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (a) it is a QIB and a Qualified Purchaser purchasing (or holding) the Notes for its own account or for the account of one or more QIBs that are also Qualified Purchasers and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (b) that the Notes and any guarantee thereof are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes and any guarantee thereof have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (c) that the Issuer has not registered and will not register as an “investment company” under the Investment Company Act in reliance on Section 3(c)(7) thereof, and that the Notes may not be sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (d) that, unless it holds an interest in a Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person that is a Qualified Purchaser whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB that is also a Qualified Purchaser in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (e) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (d) above;
- (f) that Notes initially offered in the United States to QIBs that are also Qualified Purchasers will be represented by one or more Restricted Global Note Certificates, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Global Notes;
- (g) that the Notes, other than the Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). ACCORDINGLY, THIS SECURITY AND ANY INTEREST THEREIN MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER, AND IS PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS THAT ARE ALSO QUALIFIED PURCHASERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, OTHER THAN (1) TO

THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON THAT IS A QUALIFIED PURCHASER WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY OR FOR SECURITIES OF ISSUERS RELYING ON SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT. THE ISSUER RESERVES THE RIGHT TO REDEEM OR TRANSFER ON BEHALF OF THE HOLDER ANY NOTE THAT IS SOLD OR TRANSFERRED IN VIOLATION OF THE RESTRICTIONS SET OUT ABOVE. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY INTEREST THEREIN AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

- (h) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB that is also a Qualified Purchaser in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). ACCORDINGLY, THIS SECURITY AND ANY INTEREST THEREIN MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT TO A PERSON THAT IS A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

- (i) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account,
- (j) that the Issuer reserves the right to require the holder of any Note that is held by, or for the account or benefit of, any U.S. person that was not both a QIB and a Qualified Purchaser at the time it purchased or acquired such note, or failing such transfer, to redeem such Note, and
- (k) that the Notes may not be purchased by or transferred to (i) an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, (ii) a "plan" as defined in Section 4975 of the Code or (iii) an entity whose underlying assets include plan assets subject to Title I of ERISA or Section 4975 of the Code.

No sale of Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

GENERAL INFORMATION

1. The establishment of the Programme was authorised by resolutions of the board of directors of each Issuer passed on 23 September 2005.
2. The update of the Programme and the issue of this Registration Document was authorised by resolutions of the board of directors of each Issuer passed on 11 May 2007.
3. There are no, nor have there been any governmental, legal or arbitration proceedings involving an Issuer (and no such proceedings are pending or threatened) which have or may have or have had during the twelve months prior to the date of this Registration Document, individually or in the aggregate, a significant effect on the financial position or profitability of an Issuer.
4. Since 31 December 2006 there has been no significant change in the financial or trading position or any material adverse change in the financial position or prospects of the Issuers.
5. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (in printed form) will be available from the date hereof, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection by Noteholders at the London office of the Principal Paying Agent, the Dublin office of the Irish Paying Agent and at the registered office of the Issuers:
 - (i) a copy of this Registration Document or any supplement thereto;
 - (ii) a copy of any Issue Document, any Prospectus and any supplements thereto;
 - (iii) the Principal Trust Deed (and as amended from time to time) (which includes the forms of the Global Notes, the Definitive Notes, the Coupons, Receipts and Talons and Registered Notes);
 - (iv) any Supplemental Trust Deed and any other Security Document relating to each Series of Notes which is admitted to listing on the Official List of the Irish Stock Exchange;
 - (v) the Agency Agreement (and as amended or supplemented from time to time);
 - (vi) the Custody Agreement (and as amended or supplemented from time to time);
 - (vii) the Programme Dealer Agreement (and as amended or supplemented from time to time);
 - (viii) the Intermediation Agreement (and as amended or supplemented from time to time);
 - (ix) the Corporate Services Agreement (and as amended or supplemented from time to time);
 - (x) the Master Portfolio Management Agreement (as amended and supplemented from time to time);
 - (xi) a copy of any other Transaction Documents;
 - (xii) the Master Schedule of Definitions (and as amended from time to time);
 - (xiii) the Declaration of Trust;
 - (xiv) the memorandum and articles of association of each Issuer; and

- (xv) the audit reports and financial statements of the Issuers for the period 10 August 2005 to 31 December 2005 and for the year ending 31 December 2006.
6. Under the Principal Trust Deed, the Issuers shall provide written confirmation to the Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.
 7. Abbey National Treasury Services plc is the Arranger of the Programme. In addition, Abbey National Treasury Services plc shall, at the request of the Issuers, make proposals to the Issuers in relation to the issue of Notes pursuant to the terms of an amended and restated intermediation agreement (the "**Intermediation Agreement**") dated 5 June 2007.
 8. Abbey National Treasury Services plc, Santander Financial Products Limited and Banco Santander Central Hispano, S.A. are the initial Dealers (the "**Initial Dealers**") under the Programme.
 9. Each of Santander Financial Products Limited and Abbey National Treasury Services plc are subsidiaries of Banco Santander Central Hispano, S.A.
 10. Capitalised terms used in this Registration Document shall have the meanings specified in the Annex (Terms and Conditions of the Notes), unless otherwise defined herein.
 11. The audit reports and financial statements of the Issuers for the period 10 August 2005 to 31 December 2005 and for the year ending 31 December 2006, which have been filed with The Irish Stock Exchange, are incorporated herein by reference.

ANNEX TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which (subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Issue Document (as defined below) and save for the italicised text) will be endorsed on the Notes of each Series in definitive form (if any) issued in exchange for the Global Note(s) representing each Series of Notes in bearer form or on the Individual Note Certificates representing each Series of Notes in registered form or on the Global Note Certificates issued in respect of a global registered note issue. These terms and conditions will also apply to the Global Notes save as modified by the terms of the Global Notes. Text in italics in these Conditions (save for sub-headings) refers to the Global Notes alone and will not be endorsed on the Notes of each Series in definitive form. Further information with respect to Notes of each Series will be given in the relevant Issue Document which will provide for those aspects of these terms and conditions which are applicable to the Notes. References in the terms and conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme. The absence of any defined term indicates that such term is not applicable to the Notes and references to a matter being "specified" means as the same may be specified in the relevant Issue Document:

The notes referred to on the face hereof (the "**Notes**", which expression shall in these Conditions include any further notes issued pursuant to Condition 1.3) are constituted and secured by an amended and restated principal trust deed dated 5 June 2007 (and as further amended from time to time, the "**Principal Trust Deed**") between Flame Capital I plc and Flame Capital II plc (each, an "**Initial Issuer**") and Deutsche Trustee Company Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed referred to below and shall mean, in relation to any Series of Notes, the person identified in the relevant Supplemental Trust Deed as the Trustee for that Series) as supplemented by a supplemental trust deed (as amended or supplemented from time to time, the "**Supplemental Trust Deed**") dated the Issue Date between the relevant Issuer, the Trustee and the other parties named therein (the Principal Trust Deed and any Supplemental Trust Deed being referred to herein as the "**Trust Deed**").

The Notes will have the benefit (to the extent applicable) of an amended and restated agency agreement dated 5 June 2007 (and as further amended from time to time, the "**Agency Agreement**") between each Initial Issuer, the Trustee, Deutsche Bank AG, London Branch in its capacities as issue agent (the "**Issue Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such), Santander Financial Products Limited in its capacity as Irish paying agent (the "**Irish Paying Agent**", which expression shall include any successor to Santander Financial Products Limited in its capacity as such and, together with the Principal Paying Agent, each a "**Paying Agent**"), Deutsche Bank Luxembourg S.A. in its capacity as transfer agent (a "**Transfer Agent**", which expression shall include any successor to Deutsche Bank Luxembourg S.A. in its capacity as such), Deutsche Bank AG, London Branch in its capacity as calculation agent (the "**Calculation Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such), Deutsche Bank Luxembourg S.A. as registrar in relation to Registered Notes issued in reliance on Regulation S (the "**Regulation S Registrar**", which expression shall include any successor to Deutsche Bank Luxembourg S.A. in its capacity as such) and Deutsche Bank Trust Company Americas, as registrar in relation to Notes issued in reliance on Rule 144A (the "**Rule 144A Registrar**", which expression shall include any successor to Deutsche Bank Trust Company Americas in its capacity as such (the Regulation S Registrar and the Rule 144A Registrar, each a "**Registrar**")). As used herein, "**Principal Paying Agent**", "**Paying Agent**", "**Issue Agent**", "**Calculation Agent**", "**Swap Calculation Agent**", "**Registrar**" and "**Transfer Agent**" (each an "**Agent**") shall mean, in relation to any Series of Notes, if any other person is specified in the relevant Issue Document as the Principal Paying Agent, a Paying Agent, the Issue Agent, the Calculation Agent, the Swap Calculation Agent, the Registrar and/or the Transfer Agent, respectively, for such Series, such other person.

Each Initial Issuer has also entered into an amended and restated custody agreement dated 5 June 2007 (and as may be amended or supplemented from time to time, the "**Custody Agreement**") with the Trustee and Deutsche Bank AG, London Branch as custodian (the "**Custodian**", which expression includes any successor to Deutsche Bank AG, London Branch in its capacity as such and shall mean in relation to any Series of Notes, any other custodian appointed in connection with such Series of Notes). In respect of any Series of Notes, the Custodian may appoint any financial institution to act as sub-custodian in relation to that Series, as more fully set out in the Custody Agreement.

In respect of each Series of Credit Linked Notes, the Issuer will enter into (a) a portfolio credit default swap relating to such Series (each a "**CDS Transaction**" and together with the relevant ISDA Master Agreement and schedule thereto, as more particularly described in Condition 19, the "**CDS Agreement**") entered into on the relevant Issue Date between the relevant Issuer and the entity specified as the CDS Counterparty in the Issue Document (the "**CDS Counterparty**") referencing a portfolio (each a "**Reference Portfolio**") pursuant to which the Issuer will sell credit protection to the CDS Counterparty, (b) an interest rate and/or cross currency derivative transaction relating to such Series (each an "**IRS Transaction**") entered into on the relevant Issue Date between the relevant Issuer and the CDS Counterparty and (c) an appointment letter (the "**Appointment Letter**") appointing a portfolio manager (the "**Portfolio Manager**") in respect of such Series, entered into on the relevant Issue Date between the Issuer and the Portfolio Manager in respect of the relevant Reference Portfolio, supplemental to a master portfolio management agreement (the "**Master Portfolio Management Agreement**" and, together with the Appointment Letter, the "**Portfolio Management Agreement**" in respect of such Series).

The Principal Trust Deed, the Custody Agreement and the Agency Agreement and, in relation to Credit Linked Notes, the CDS Agreement and the Portfolio Management Agreement, are capable of having effect as if issuers, other than each Initial Issuer, were named as parties thereto and were bound by the terms thereof (together with each Initial Issuer, each an "**Issuer**" and references in the terms and conditions to "**Issuer**" are to the Issuer of the relevant Series of Notes). Certain statements in these terms and conditions (the "**Conditions**") may be summaries of the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof), in the Principal Trust Deed, in the Custody Agreement, in the Swap Agreement(s), in any Portfolio Management Agreement and/or in the Agency Agreement. Copies of the Principal Trust Deed, the Custody Agreement, the Swap Agreement(s), any Portfolio Management Agreement and the Agency Agreement are available for inspection at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the Principal Paying Agent and Irish Paying Agent. The Holders (as defined below, which expression includes the holders of instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments (if any) attached to such Notes (the "**Receiptholders**") and the holders of the coupons (the "**Coupons**") (if any) appertaining to interest bearing Notes in bearer form (the "**Couponholders**", which expression includes the holder of talons (the "**Talons**") (if any) for further coupons attached to such Notes (the "**Talontholders**")) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and to have notice of those provisions of the Agency Agreement and the Custody Agreement applicable to them.

Each Issue Document will be incorporated by reference, endorsed upon or attached to the Notes and will supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes.

Words and expressions defined in the Trust Deed, the Swap Agreement, any Portfolio Management Agreement, the Agency Agreement, the Custody Agreement, the Issue Document or the Master Schedule of Definitions, Interpretation and Construction Clauses dated 5 June 2007 (and as further amended and supplemented from time to time) signed for the purpose of identification by, amongst others, the Initial Issuers and the Trustee (the "**Master Schedule of Definitions**") or used in the Issue Document shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement, the Custody

Agreement, the Trust Deed, the Issue Document, the Swap Agreement(s), the Portfolio Management Agreement (if any) and the Master Schedule of Definitions, the definition of the relevant term shall have the meaning specified in the relevant document ranking the highest in the following order of priority:

- (a) firstly, the Issue Document;
- (b) secondly, the Supplemental Trust Deed relating to the Notes;
- (c) thirdly, the Conditions;
- (d) fourthly, the Principal Trust Deed;
- (e) fifthly, the Swap Agreement(s);
- (f) sixthly, the Portfolio Management Agreement (if any);
- (g) seventhly, the Agency Agreement;
- (h) eighthly, the Custody Agreement; and
- (i) ninthly, the Master Schedule of Definitions.

1. **Form, Denomination and Title**

1.1 *Form and Denomination*

1.1.1 The Notes may be issued as Bearer Notes, serially numbered in Specified Denomination(s) or as Registered Notes in Specified Denomination(s) or in each case in an integral multiple thereof. References herein to "**Notes**" shall be to Bearer Notes and/or Registered Notes, as specified in the Issue Document. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

1.1.2 Interest bearing definitive Bearer Notes are issued with interest coupons ("**Coupons**") (and, where appropriate, a talon for further Coupons ("**Talon**") attached) save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. After all the Coupons attached to, or issued in respect of, any Bearer Note which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation of the relevant Talon at the specified office of any Paying Agent. Any Bearer Note, the Principal Amount of which is redeemable in instalments, may be issued with one or more receipts ("**Receipts**") attached thereto.

1.1.3 A Registered Note Certificate in respect of a Holder's entire holding of Registered Notes of a Series or Class will be issued substantially in one of the forms set out in the Principal Trust Deed.

1.2 *Title*

Title to Bearer Notes, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Notes passes by registration in the Register which the Issuer shall procure to be kept by the relevant Registrar.

The Holder of any Note, Coupon, Receipt or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any

notice of ownership, trust or any interest in it, any writing on the face of such Bearer Note or, in the case of a Registered Note, on the relevant Registered Note Certificate thereof, or notice of any previous theft or loss thereof) and no person shall be liable for so treating such Holder.

1.3 *Fungible Tranches of Notes comprising a Series*

A Series of Notes may comprise a number of tranches (each a "**Tranche**"), each of which will be issued on identical terms save for its Issue Date, its issue price and the amount and date of the first interest payment. Notes of different Tranches of the same Series or Class will be fungible, except as set forth in the Issue Document and (if applicable) the Portfolio Management Agreement and the other Transaction Documents. If a further Tranche (a "**Further Tranche**") is issued in respect of a Series or Class under which a Tranche or Tranches of Notes have already been issued (an "**Original Tranche(s)**"), the pool of assets (the "**Further Related Assets**") relating to such Further Tranche will be fungible with or otherwise equivalent to the Related Assets for the Original Tranche(s) and the Related Agreements for the Original Tranche(s) will be amended, if required, to apply to both the Original Tranche(s) and such Further Tranche.

The Issuer shall be at liberty from time to time, without the consent of the Noteholders of any Series of Notes, to issue Further Tranches, in addition to further Series of Notes.

1.4 *Notes sold to U.S. Persons*

Unless otherwise provided in any Issue Document, Notes in registered form may be sold in the United States only to investors that are both (A) "qualified institutional buyers" (as such term is defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**") (each such buyer, a "**QIB**") who purchase such Notes for their own account or for the account of a QIB that is also a Qualified Purchaser (as defined below) in reliance on the exemption from the registration requirements provided by Rule 144A of the Securities Act and (B) "qualified purchasers" (as such term is defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the rules thereunder, each a "**Qualified Purchaser**"), and in accordance with any applicable securities laws of any state of the United States. Notes sold to U.S. Persons may initially be represented by one or more Restricted Global Note Certificates or by Restricted Individual Note Certificates.

The Issuer shall have the right to require any Holder of a Note in violation of the above restrictions to transfer such Note or redeem such Notes, see Condition 8.13.

1.5 *Employee Benefit and Similar Plans*

Unless specified in any Issue Document, the Notes will not be sold or transferred to any person who is or while Notes are held may be (i) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**), which is subject to Title I of ERISA, (ii) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**) or (iii) an entity whose underlying assets include plan assets subject to Title I of ERISA or Section 4975 of the Code. Each purchaser and Holder will be deemed to have represented and agreed that it is not and will not be in breach of the foregoing.

1.6 *Classes of Notes comprising a Series*

Notes of a Series may be issued in various classes (each a "**Class**") (as further specified in the Issue Document) which classes will rank in priority of payment in the order specified in the Supplemental Trust Deed applicable to such Series of Notes and as described in the Issue Document.

1.7 *Co-Issue*

Notes may be issued jointly and severally by one or more Issuers when so specified in the Issue Document. If this applies then references to Issuer in these Conditions will be construed as references to each of the joint Issuers save in respect of Conditions 4 and 11. Any payment by one of two or more joint Issuers shall reduce or extinguish the corresponding liabilities of the other joint Issuers.

2. **Exchanges of Bearer Notes for Registered Notes, Transfers of Registered Notes and Exchanges of Series of Notes**

2.1 *Exchange of Bearer Notes*

If so specified in the Issue Document and subject to Conditions 2.5 and 2.6, Bearer Notes may be exchanged for the same aggregate Principal Amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of the Bearer Note to be exchanged together with all unmatured Coupons, Receipts and Talons relating to it (if any) at the specified office of the Registrar or any Transfer Agent, *provided, however*, that Bearer Notes that are Dual Currency Notes, Variable Interest Notes or Variable Redemption Notes may be exchanged for Registered Notes only with the prior written approval of the Issuer. Where, however, a Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 9.2) for any payment of interest or Interest Amounts (as defined in Condition 7.13), the Coupon in respect of that payment of interest or Interest Amounts need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes.

2.2 *Transfer of Registered Notes*

Subject to Conditions 2.5 and 2.6, a Registered Note may be transferred upon surrender of the relevant Registered Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent; *provided, however*, that a Registered Note may not be transferred unless the principal amount of Registered Notes proposed to be transferred and the principal amount of the balance of Registered Notes proposed to be retained by the relevant transferor are both Specified Denominations (or an integral multiple thereof). In the case of a transfer of only a portion of a holding of Registered Notes represented by a Registered Note Certificate, a new Registered Note Certificate in respect of the balance not transferred will be issued to the transferor.

2.3 *Delivery of new Registered Note Certificates*

Each new Registered Note Certificate to be issued upon exchange of Bearer Notes or transfer of Registered Notes will, within three business days (in the place of the specified office of the relevant Registrar or Transfer Agent to whom such request for exchange or form of transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the relevant Registrar or of the Transfer Agent (as the case may be) stipulated in the request for exchange or form of transfer, or be mailed at the risk of the Noteholder entitled to the Registered Note Certificate to such address as may be specified in such request or form of transfer. For these purposes, a form of transfer or request for exchange received by the relevant Registrar or the Transfer Agent (as the case may be) after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the relevant Registrar or the Transfer Agent (as the case may be) until the day following the due date for such payment.

2.4 *Transfer or Exchange at the Expense of Transferor Noteholder*

Registration of Notes on exchange or transfer will be effected at the expense of the transferor Noteholder by or on behalf of the Issuer or the Registrar, and upon payment of (or the giving of such

indemnity as the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation to it.

2.5 *Exchange of Restricted Registered Notes*

Upon the transfer, exchange or replacement of Registered Notes represented by Registered Note Certificates bearing the legend (the "**Legend**") set forth in Schedules 6 and 8 to the Principal Trust Deed, the Rule 144A Registrar or any Transfer Agent shall deliver only Registered Notes represented by Registered Note Certificates that also bear such Legend unless there is delivered to the Rule 144A Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws and other laws of the United States applicable to the Notes to the effect that neither such Legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its "affiliates" (as defined in paragraph (a)(l) of Rule 144 under the Securities Act) not to acquire any beneficial interest, in any Registered Note bearing the Legend unless it notifies the Rule 144A Registrar of such acquisition. The Rule 144A Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

2.6 *Closed periods*

Neither the transfer of a Registered Note to be registered, a Bearer Note to be exchanged for a Registered Note nor a Temporary Global Note to be exchanged for a Permanent Global Note nor a Permanent Global Note to be exchanged for Definitive Notes may occur during the period of 15 days ending on the due date for any payment of principal, interest or Redemption Amount on that Note except as specified in Condition 2.1.

3. **Status of the Notes and Instructing Creditor**

3.1 *Unsubordinated Notes*

3.1.1 This Condition 3.1 is applicable only in relation to Notes which are specified as being Unsubordinated in the Issue Document.

3.1.2 The Notes, Coupons and Receipts (if any) are limited recourse obligations of the Issuer, secured, unless otherwise specified in the Issue Document, in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 12 and will rank *pari passu* without any preference among themselves.

3.2 *Subordinated Notes*

3.2.1 This Condition 3.2 is applicable only in relation to Notes which are specified as being Subordinated in the Issue Document.

3.2.2 In the case of Subordinated Notes (including any related Coupons and Receipts), the subordination provisions will be set out in full in the Issue Document.

3.3 *Instructing Creditor*

(a) If there is a conflict of: (i) a duty owed by the Trustee to the Secured Creditors of a Series, and (ii) a duty owed by the Trustee to the Secured Creditors of another Series, then the Trustee shall, when acting as the holder of the Security of a Series, act in the interests of the Secured Creditors of that Series. Subject to the foregoing, any contract or arrangement which involves any conflict will not be void, voidable or otherwise unenforceable by virtue

of that conflict nor will the Trustee be liable to the Secured Creditors in relation to any particular Series because of that conflict and the Trustee will not be in breach of any duty in respect of any trust established for any Series.

- (b) Unless otherwise specified in the relevant Issue Document and Supplemental Trust Deed, the Instructing Creditor will be "Counterparties only". The Supplemental Trust Deed and the relevant Issue Document may specify that the Instructing Creditor is:
 - (i) "Noteholders only" (or a Class of Noteholders only); or
 - (ii) "Combination of Counterparties and Noteholders".

If the Instructing Creditor is "Counterparties only", the relevant Counterparty or Counterparties may, in accordance with and in the circumstances specified in the Issue Document, request the Trustee to take the actions contemplated in the Conditions. If the Instructing Creditor is specified as "Noteholders only", the Noteholders can (where specified) request the Trustee to take actions contemplated in the Conditions. If the Instructing Creditor is specified as being "Combination of Counterparties and Noteholders", the procedure for requesting the Trustee to take actions contemplated in the Conditions shall be as described in the Issue Document and in the Supplemental Trust Deed.

Following receipt of such a request from the Instructing Creditor, the Trustee shall not be obliged to consider the interests of any other Secured Creditors for such Series. If the interests of the Instructing Creditor conflict with those of other Secured Creditors, the Trustee shall prefer the interests of such Instructing Creditor over the interests of the other Secured Creditors (and shall not take into account the interests of such other Secured Creditors).

If, following a request as aforesaid the identity of the Instructing Creditor changes to another Secured Creditor, the Trustee may take into account the request of such other Instructing Creditor (unless the Trustee has already taken action pursuant to such request which it would not be practical to reverse).

4. **Security and Related Agreements**

- 4.1 In connection with the Notes of any Series or Class, the Issuer may enter into one or more Related Agreements, Deposit Agreements, Repo Agreements or Securities Transfer Agreements, with one or more Counterparties. The obligations of a Counterparty may be guaranteed by a Guarantor.
- 4.2 The Trust Deed will provide that the obligations of the Issuer to the Trustee on its own behalf and on behalf of the Holders under the Notes, Coupons and Receipts (if any) of a Tranche or Series appertaining thereto and to the other Secured Creditors are, unless otherwise specified in the Issue Document, secured by security interests (governed by English law and/or the law of any other relevant jurisdiction) over certain Underlying Assets as specified in the relevant Supplemental Trust Deed and/or Issue Document.
- 4.3 The security created by each Supplemental Trust Deed may be supplemented by such other security documents (each a "**Supplementary Security Document**" and together with such Supplemental Trust Deed, the "**Security Documents**") as may, from time to time, be required by the Trustee in accordance with and as specified in the relevant Issue Document (together, the "**Security**").
- 4.4 All monies received by the Trustee in connection with the Underlying Assets or the Notes will be held by the Trustee on trust to apply the same in accordance with the application of proceeds provisions of the Principal Trust Deed and the relevant Supplemental Trust Deed (the "**Security Ranking Basis**").

4.5 *Substitution, Lending and Repo of Related Assets and/or Related Agreements*

This Condition 4.5 shall apply if so specified in the relevant Issue Document.

Subject to (a) the approval of the Trustee (except where Condition 4.5.1 below applies), (b) compliance with all applicable laws, and (c) if the Notes are rated by any Rating Agency or Rating Agencies, the Issuer obtaining a prior written confirmation (addressed to the Issuer and the Trustee) from each such Rating Agency that the credit rating of the Notes will not be adversely affected, the Issuer may from time to time:

- (a) substitute the Related Assets for alternative assets ("**Substitute Assets**") as the Issuer may deem appropriate and, on such substitution, on such terms as are set out in the Issue Document, terminate, replace or amend, in view of the income expected to be received in respect of any such Substitute Assets, any Related Agreement; or
- (b) substitute or replace any Deposit Agreement, Repo Agreement, Swap Agreement (other than a CDS Agreement) or any other Related Agreement for another such agreement or arrangement ("**Substitute Agreements**").

4.5.1 Any substitution described in paragraph (a) or (b) will not require the prior consent of the Trustee if the Substituted Assets and the Counterparties to the Substituted Agreements meet any applicable Eligibility Criteria specified in the Issue Document or if made pursuant to any Deposit Agreement, Repo Agreement, Swap Agreement or other Related Agreement, as confirmed in writing by the Issuer to the Trustee.

4.5.2 Unless otherwise specified in the applicable Issue Document, the Issuer may lend, repo or otherwise transfer all or any of the Related Assets on terms that assets equivalent to the Related Assets will be transferred to the Issuer at the scheduled maturity or early redemption of such loan, repo or other transaction or at the date of maturity of the Notes or in the event of a Mandatory Redemption Event (as defined in Condition 8.2) or on such other date or dates as may be specified in the applicable Issue Document.

4.5.3 Any such Substitute Assets and/or Substitute Agreements and any rights or assets arising or obtained under any agreement to lend, repo or otherwise transfer of all or any of the Related Assets according to this Condition 4.5 will be subject to the security interests in favour of the Trustee as set out or contemplated in the applicable Supplemental Trust Deed.

If so required under the Issue Document, the Issuer shall notify any such substitution to the Noteholders and the other Secured Creditors of the relevant Series in accordance with Condition 16.

4.6 *Liquidation of Related Assets*

Save as otherwise provided in the Issue Document, following the occurrence of a credit or other specified event under the relevant Related Agreement requiring a payment to the Counterparty thereunder, the Issuer shall notify the Disposal Agent and the Disposal Agent shall, as agent of the Issuer, liquidate the Related Assets, in whole or in part as applicable, to satisfy such payment after taking into account and utilising amounts standing to the credit of the Issuer with the Custodian in relation to the relevant Series which are available for such purpose. The proceeds of such liquidation shall be applied in accordance with the application of proceeds provisions specified in the relevant Issue Document and/or Supplemental Trust Deed. If necessary, any Related Agreement or Repo Agreement will be terminated, replaced or amended, upon the liquidation, in whole or in part, of Related Assets.

5. **Application of Proceeds**

The Trustee shall (subject to the provisions of the relevant Issue Document and the Supplemental Trust Deed) apply all moneys received by it in accordance with the provisions of the Trust Deed in connection with the realisation or enforcement of the security constituted thereby.

6. Restrictions

6.1 So long as any of the Notes remain outstanding (as defined in the Principal Trust Deed), the Issuer will not, save to the extent permitted or contemplated by the Programme Documents or the Transaction Documents:

6.1.1 engage in any business other than:

- (a) issuing the Notes in accordance with Condition 6.1.4 or issuing other notes or bonds whether under other programmes or otherwise ("**Other Bonds**") which are secured on assets of the Issuer which are not Underlying Assets for any Series of Notes or the Issuer's share capital;
- (b) entering into the Programme Documents and the Transaction Documents in respect of each Series of Notes and the programme, transaction, trade and other documents relating to any series of Other Bonds;
- (c) acquiring and holding any Underlying Assets (and other assets similar to any Underlying Assets) and assets that are to form the security in connection with any series of Other Bonds;
- (d) performing its obligations and exercising its rights under the Programme Documents and the Transaction Documents in respect of any Series of Notes or any programme, transaction, trade or other documents relating to any series of Other Bonds; and
- (e) such further or other matters as may be reasonably incidental to any of the above;

6.1.2 have any employees or premises;

6.1.3 issue any additional shares;

6.1.4 incur or permit to subsist any indebtedness for borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness other than any such indebtedness for borrowed money incurred or subsisting or any such guarantee or indemnity given in connection with (A) the issue of any series of Other Bonds or (B) the issue of further Notes (in accordance with the Programme Documents and the applicable Transaction Documents), provided that the Trustee is satisfied that:

- (a) such further Notes or Other Bonds are secured on assets of the Issuer which are not:
 - (i) the Underlying Assets for any other Series (save in the case of a fungible Tranche of such Notes forming a single Series with a Tranche of Notes already issued, subject to Condition 1.3);
 - (ii) any assets (other than those described in (i) above) on which any other obligations of the Issuer are secured; and
 - (iii) the Issuer's share capital;

- (b) in the case of such further Notes, issued on terms in substantially the form contained in these Conditions which provide for the extinguishment of all claims in respect of such further Notes and obligations after application of the proceeds of sale or redemption of the Underlying Assets on which such further Notes and obligations are secured and provide for a term in substantially the same form as Condition 12.4;
 - (c) in the case of a further Tranche of Notes forming a single Series with any Tranche of Notes previously issued, secured *pari passu* on the Underlying Assets applicable to the relevant Series; and
 - (d) in respect of a Series of Credit Linked Notes, (i) the Issuer enters into an additional or supplemental swap agreement varying the terms of the CDS Agreement to take account of the further Notes of that Series on terms no less favourable than those of the CDS Agreement (other than the payment of any additional upfront amounts to preserve the economic equivalent of the CDS Agreement), (ii) the Issuer enters into any other additional or supplemental Transaction Documents as may be required to preserve the economic equivalent of the existing Notes of that Series (including, without limitation, any consequential amendments to the Interest Amounts), and (iii) no Payable Cash Settlement Amount has been or is to be paid.
- 6.1.5 sell or otherwise dispose of the Underlying Assets relating to any Series or any interest therein or agree or purport to do so;
- 6.1.6 create or permit to exist upon or affect any of the Underlying Assets relating to any Series, any Encumbrance or any other security interest whatsoever;
- 6.1.7 consolidate or merge with any other person or convey or transfer its properties or assets to any person;
- 6.1.8 permit the Principal Trust Deed or any Supplemental Trust Deed executed in relation to any Series or any guarantee agreements executed in relation to such Series, or the priority of the Security created thereby or pursuant to any Supplementary Security Document executed in relation to any Series of Notes to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such Security to be released from such obligations;
- 6.1.9 release any party to any Related Agreement from any executory obligation thereunder;
- 6.1.10 have any subsidiaries;
- 6.1.11 (in relation to an Issuer incorporated in Ireland) maintain its centre of main interest, as such term is used in EU Council Regulation 1346/2000 on insolvency procedures, other than in Ireland at all times; and
- 6.1.12 (in relation to an Issuer incorporated in Ireland) have fewer than two Irish resident directors at all times or hold board meetings outside of Ireland.

The Trustee shall be entitled to rely on a certificate of a director of the Issuer in relation to any matter relating to the above restrictions and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter in question.

7. Interest and other Calculations

7.1 *Interest Rate and Accrual*

7.1.1 Each Note (other than a Credit Linked Note, a Zero Coupon Note or a Non-Interest Bearing Note) bears interest on its Principal Amount (or as otherwise specified in the Issue Document) and each Credit Linked Note bears interest on its Average Notional Amount (or as otherwise specified in the Issue Document), in each case, from the Interest Commencement Date at the Interest Rate, such interest being payable in arrears (unless otherwise specified in the Issue Document) on each Interest Payment Date.

7.1.2 Interest (if any) will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 7 or otherwise as specified in the Issue Document until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7.2 *Fixed Coupon Amount*

In relation to Fixed Rate Notes and except as provided in the Issue Document, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes have more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

7.3 *Calculation of Interest Amount in respect of Notes other than Credit Linked Notes*

The amount of interest payable in respect of any Floating Rate Note, Variable Interest Note or Fixed Rate Note (if interest is required to be calculated for a period ending other than on an Interest Payment Date) shall be calculated by applying the Interest Rate to the Principal Amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Relevant Currency (half a sub-unit being rounded upwards).

7.4 *Calculation of Interest Amount in respect of Credit Linked Notes*

Subject as provided below, the amount of interest payable on each Credit Linked Note in respect of each Interest Period shall be the amount (subject to a minimum of zero) determined by the Swap Calculation Agent to be such Note's *pro rata* share of the sum of:

7.4.1 the product of:

- (a) the Average Notional Amount of the Notes in respect of such Interest Period;
- (b) the Interest Rate applicable to such Interest Period; and
- (c) the Day Count Fraction; and

7.4.2 the sum of the Additional Interest Amounts in respect of such period if it follows a date on which a Final Price has been determined in respect of all Undetermined Reference Entities (each such Interest Payment Date, an "**Additional Interest Payment Date**").

7.5 *Business Day Convention*

If any date referred to in these Conditions or the Issue Document is specified to be subject to adjustment in accordance with a Business Day Convention and would otherwise fall on a day which is not a Business Day, then if the Business Day Convention specified in the Issue Document is:

- 7.5.1 the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;
- 7.5.2 the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- 7.5.3 the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

7.6 *Interest Rate on Floating Rate Notes*

7.6.1 This Condition 7.6 is applicable only if the Issue Document specifies the Notes as Floating Rate Notes.

7.6.2 If Screen Rate Determination is specified in the Issue Document as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (a) if the Page displays a rate which is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Relevant Rate which appears on the Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Relevant Rates which appear on the Page as of the Relevant Time on the relevant Interest Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that Page or, in the case of (b) above, fewer than two such rates appear on that Page or if, in either case, the Page is unavailable, the Calculation Agent will:
 - (i) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date for loans in the Relevant Currency to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean of such quotations; and
- (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Relevant Rate, as determined by the Calculation Agent) quoted by major banks in the Relevant Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the first day of the relevant Interest Period for loans in

the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount,

and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

7.6.3 If ISDA Determination is specified in the Issue Document as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Issue Document;
- (b) the Designated Maturity (as defined in the ISDA Definitions) is the Specified Duration; and
- (c) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London interbank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the Issue Document.

7.7 *Interest Rate on Variable Interest Notes and Dual Currency Notes*

If the Issue Document specifies the Notes as Variable Interest Notes or Dual Currency Notes, the Interest Rate applicable to the Notes for each Interest Period will be determined in the manner specified in the Issue Document.

7.8 *Maximum or Minimum Interest Rates*

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Issue Document, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

7.9 *Late Payment of Zero Coupon Notes*

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the

day which is seven days after the Trustee, Principal Paying Agent or Registrar (as the case may be) has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7.10 *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (b) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (c) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes, "**unit**" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

7.11 *Interest on Postponed Maturity Date*

If the Maturity Date falls after the Scheduled Maturity Date an additional amount of interest per Note shall be payable on the Maturity Date in respect of the period from and including the Scheduled Maturity Date to but excluding the Maturity Date and calculated from the Scheduled Maturity Date to but excluding the next Deferred Interest Payment Date (or the Maturity Date) (each, a "**Deferral Period**") as an amount equal to such Note's *pro rata* share of the sum for each day in the Deferral Period of the product of:

7.11.1 the average Maturity Deferral Rate; and

7.11.2 the Average Notional Amount of the Notes; and

7.11.3 the relevant Day Count Fraction (for which purposes the calculation period shall be the Deferral Period).

7.12 *Calculations*

Unless otherwise provided herein (including in respect of Credit Linked Notes pursuant to Condition 7.4 or Condition 7.11) or in the Issue Document, the amount of interest payable in respect of any Note for each Interest Period shall be calculated by multiplying the product of the Interest Rate and the Principal Amount outstanding of such Note during that Interest Period by the Day Count Fraction, unless an Interest Amount is specified in respect of such period in the Issue Document, in which case the amount of interest payable in respect of such Note for such Interest Period will equal such Interest Amount.

7.13 *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent or the Swap Calculation Agent may be required to calculate any interest, any Redemption Amount, Average Notional Amount or Instalment Amount, obtain any quote or make any other determination or calculation, the Calculation Agent or the Swap Calculation Agent will determine the Interest Rate and/or calculate the amount of interest payable

(the "**Interest Amount**") in respect of each Specified Denomination of Notes for the relevant Interest Period or Deferral Period, calculate the Redemption Amount, Average Notional Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and/or the Interest Amount for each Interest Period or Deferral Period and the relevant Interest Payment Date or Deferred Interest Payment Date and, if required to be calculated, the Redemption Amount, Average Notional Amount or any Instalment Amount to be notified to the Principal Paying Agent, or, in the case of a Series of Registered Notes, the relevant Registrar(s), the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) (in case of notification to such stock exchange) the commencement of the relevant Interest Period or Deferral Period, if determined prior to such time, in the case of an Interest Rate and/or Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Each Interest Amount and/or Interest Rate so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Deferral Period. If the Notes become due and payable under Condition 11, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless otherwise required by the Trustee. The determination of each Interest Rate, Interest Amount, Redemption Amount, Average Notional Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent, the Swap Calculation Agent or, as the case may be, the Trustee pursuant to Condition 7.15, shall (in the absence of manifest error) be final and binding upon all parties.

7.14 *Calculation Agent and Reference Banks*

If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place.

If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer shall appoint (with the prior written consent of the Trustee) a successor to act in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

If the Swap Calculation Agent in respect of each Series of Credit Linked Notes is unable or unwilling to act as such or if the Swap Calculation Agent fails duly to establish or to calculate any amount or meet any other requirements of its role, the Issuer shall appoint (with the prior written consent of the Trustee) a successor to act in its place. The Swap Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

7.15 *Determination or Calculation by Trustee*

If the Calculation Agent or the Swap Calculation Agent does not at any time determine any Interest Rate, Interest Amount, Average Notional Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by such Calculation Agent or Swap Calculation Agent, the Trustee (without liability for so doing) shall determine such Interest Rate, Interest Amount, Average Notional Amount, Redemption Amount, Instalment Amount or other amount as aforesaid (having regard as it shall think fit to the procedures described above or in the Issue Document, but subject to the terms of the Trust Deed) which it deems fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition, with any consequential amendments, to the extent that it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances and each such

determination or calculation shall be deemed to have been made by the Calculation Agent or the Swap Calculation Agent, as the case may be.

8. **Redemption, Purchase and Exchange**

8.1 *Redemption at Maturity*

- (a) Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its Redemption Amount on the date or dates (or, in the case of Floating Rate Notes, on the date or dates upon which interest is payable) specified in the Issue Document, provided that if, in respect of Credit Linked Notes, as of the Scheduled Maturity Date or Deferred Interest Payment Date, there are Unsettled Credit Events in respect of any Reference Entity, the provisions of the remaining paragraphs of this Condition 8.1 shall apply.
- (b) If as of the Scheduled Maturity Date and each Deferred Interest Payment Date, there are Unsettled Credit Events in respect of a Reference Entity, the Aggregate Outstanding Principal Amount of the Credit Linked Notes falling due for redemption will be reduced by an amount equal to the maximum amount in the Relevant Currency that could be required for the Issuer to meet its obligations under the CDS Agreement in relation to such Unsettled Credit Events (the "**Withheld Principal**").

Accordingly, on the Scheduled Maturity Date and each Deferred Interest Payment Date, the Issuer will apply an amount available from the redemption or sale of the Collateral Assets and/or (to the extent that the proceeds of redemption or sale from the Collateral Assets has been exhausted) from the Principal Cash Account, as the case may be, equal to the Applied Redemption Amount to redeem the Credit Linked Notes on a *pro rata* and *pari passu* basis.

- (c) Any amounts from the redemption or sale of the Collateral Assets not applied in accordance with paragraph (b) above (for the avoidance of doubt, being other than the Applied Redemption Amount) shall be deposited in the Principal Cash Account. In respect of any Deferred Interest Payment Dates and/or Cash Settlement Dates occurring after the Scheduled Maturity Date, the Issuer shall release an amount from the Principal Cash Account equal to the interest and principal payable on the Credit Linked Notes for payment to the Noteholders and/or, as the case may be, the relevant Payable Cash Settlement Amount for payment to the CDS Counterparty.
- (d) Upon the occurrence of the last Cash Settlement Date and following the payment of any Payable Cash Settlement Amount to the Counterparty on such date (such date, a "**Final Cash Settlement Date**"), the Issuer shall redeem each Credit Linked Note in an amount equal to such Credit Linked Note's *pro rata* share of the amount standing to the credit of the Principal Cash Account. Payment of such amount (if any) to the Noteholders by the Issuer shall discharge all obligations of the Issuer to the Noteholders in respect of the Credit Linked Notes.

8.2 *Mandatory Redemption*

8.2.1 *Mandatory Redemption Events*

If, in relation to a Series of Notes, any of the following events (each a "**Mandatory Redemption Event**") occurs:

- (a) there has been a failure to pay on the due date therefor (without, unless otherwise specified in the Issue Document, regard to any grace period) in respect of the

Related Assets relating to such Series (and, in the case of Repo Assets, such Related Assets are not substituted pursuant to the relevant Repo Agreement);

- (b) any Related Assets relating to such Series are redeemed early or become (or become capable of being declared) due and payable prior to their scheduled maturity or repayment date for any reason and, in each case, such Related Assets are not substituted pursuant to Condition 4.5 (*Substitution, Lending and Repo of Related Assets and/or Related Agreements*) or, in the case of Repo Assets, pursuant to the relevant Repo Agreement;
- (c) (other than as contemplated in Conditions 4.5, 8.3, 8.6 or 8.7) if any Related Agreement, Repo Agreement or Deposit Agreement relating to such Series is terminated and such Related Agreement, Repo Agreement or Deposit Agreement is not substituted pursuant to Condition 4.5 (*Substitution, Lending and Repo of Related Assets and/or Related Agreements*);
- (d) the terms relating to payment amounts or payment dates of any Related Assets are changed, such that the Issuer becomes unable to meet its payment obligations under the Notes on the dates contemplated in the Conditions and such Related Assets are not substituted pursuant to Condition 4.5 (*Substitution, Lending and Repo of Related Assets and/or Related Agreements*) or, in the case of Repo Assets, pursuant to the relevant Repo Agreement;
- (e) any obligor under any Related Assets stops payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or if any order is made by any competent court or any resolution passed for the winding-up or dissolution of such obligor or if proceedings are initiated against such obligor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or any analogous proceedings or such obligor is adjudicated or found bankrupt or insolvent;
- (f) subject to Condition 8.2.2, the Issuer satisfies the Trustee that:
 - (i) it would, on the occasion of the next payment date in respect of the Notes, be required to withhold or account for tax in excess of the amount that it was required to withhold or account for at the time of issue of the relevant Series of Notes; or
 - (ii) it would suffer tax above and beyond the taxes to which the Issuer was subject at the time of issue of such Series of Notes in respect of:
 - (1) its income, profit or gains in respect of any Related Asset or Related Agreement; or
 - (2) payments made to it or payments that would have been made to it under any Related Asset, Related Agreement or Repo Agreement,so that it would be unable to make payment of the full amount due on the relevant Notes, Coupons or Receipts (if any) or, as the case may be, the Related Agreement, in each case without recourse to further sources of funding; or

- (iii) the cost to it of complying with its obligations under or in connection with the Trust Deed or meeting its operating or administrative expenses would be materially increased; or
- (g) any other event or circumstance which is specified as a Mandatory Redemption Event in the Issue Document,

then, (in the case of Condition 8.2.1(f), only if Condition 8.2.2(d)(ii) applies), the Issuer shall notify the Disposal Agent and the Disposal Agent shall thereafter act for this purpose as agent of the Issuer and (subject to the relevant provisions of the Principal Trust Deed, the Custody Agreement and the Agency Agreement) proceed to arrange for and administer the sale of the Related Assets and any other assets of the Issuer attributable to that Series and termination of each Deposit Agreement, Repo Agreement and Related Agreement relating to such Series on behalf of the Issuer in accordance with the Issue Document, and upon receipt of the redemption, sale or termination proceeds thereof (such proceeds or amount being the "**Available Redemption Monies**") the Issuer shall (unless otherwise agreed by the Trustee) give not more than 30 nor less than 15 days' notice to the Secured Creditors (which notice shall be irrevocable) of the date on which the net Available Redemption Monies (having deducted all costs, expenses and liabilities incurred in connection with such redemption, sale or termination) shall be applied in accordance with the Security Ranking Basis as specified in the Supplemental Trust Deed and the Issue Document.

8.2.2 *Conditions for redemption for taxation and other reasons*

Prior to publication of any notice of redemption under Condition 8.2.1 above, the Issuer shall deliver to the Trustee a certificate signed by a director of the Issuer demonstrating that the conditions precedent to the obligation of the Issuer to so redeem have occurred and, in the case of a redemption of Notes under Condition 8.2.1(f)(i) or (ii), an opinion (in form and substance satisfactory to the Trustee) of legal advisers of recognised standing to the Issuer (previously approved by the Trustee) in the relevant jurisdiction to the effect that the Issuer has or will become obliged to withhold, account for or suffer such tax. The Trustee may rely on the aforementioned certificate and/or opinion without further enquiry.

- (a) The date on which any such assessment, withholding or deduction referred to in Condition 8.2.1(f)(i) and (ii) (a **Tax Imposition**) is suffered or on which the event specified in Condition 8.2.1(f)(iii) occurs is referred to as the **Shortfall Date**. The Issuer shall, subject to the provisions of the Trust Deed, use its reasonable endeavours to arrange the substitution as the principal debtor of a company, approved by the Trustee (and subject to Rating Agency Confirmation in respect of all rated Series of Notes then outstanding issued by the Issuer), incorporated in another jurisdiction wherein the company concerned would not be in any worse position following the substitution than the Issuer was in before the event occurred which resulted in the Issuer being obliged to use reasonable endeavours to substitute in accordance with this provision and (in respect of Condition 8.2.1(f)(i) or (ii)) such Tax Imposition would not be applicable, or (in respect of Condition 8.2.1(f)(iii)), such operating or administrative expenses would not materially exceed the Issuer's operating or administrative expenses prior to the Shortfall Date.
- (b) In the case of Condition 8.2.1(f)(ii), if, up to (but excluding) the 15th Business Day prior to the relevant Shortfall Date, the Issuer is unable to arrange such substitution the Swap Counterparty shall have the right, but not the obligation, up to five Business Days before the Shortfall Date in its sole discretion, under the Swap Agreement to pay to the Issuer such amounts as will enable it (after any such Tax Imposition) to pay (and in such event, the Issuer will be obliged to pay) to the

Noteholders the amounts which they would have received in the absence of such Tax Imposition.

- (c) If the event referred to in Condition 8.2.1(f)(iii) has occurred, the Swap Counterparty shall have the right, but not the obligation up to five Business Days before the Shortfall Date, to make additional payments to the Issuer under the Swap Agreement so that the Issuer would not be in any worse position as a result of the occurrence of such event.
- (d) If the Swap Counterparty does not exercise such right to pay the Issuer additional amounts as referred to in paragraph (b) or (c) above or a substitution of the Issuer does not occur pursuant to paragraph (a) above five Business Days or more before a Shortfall Date:
 - (i) the Issuer shall promptly notify the Principal Paying Agent, the Irish Stock Exchange, the Trustee and the Noteholders in accordance with Condition 16 (Notices) that, with effect from the Interest Payment Date falling on or following the Shortfall Date or, if none, the Interest Commencement Date, all further payments in respect of the Notes shall be made subject to, and after withholding or deduction on account of, all applicable taxes or, as the case may be, that all further payments in respect of the Notes will be reduced by an amount equal to the amount of the Tax Imposition or the cost to the Issuer of the event specified in 8.2.1(f)(iii) occurring. Neither the Issuer nor any Paying Agent shall be obliged to pay any additional amounts in respect of any such Tax Imposition or event. Any such withholding or deduction or reduction in payments shall not constitute an Event of Default under Condition 11 (Events of Default); and
 - (ii) upon notification to the Noteholders in accordance with sub-paragraph (i) above, the Noteholders in respect of all the Notes, acting together, may by giving written notice require the Issuer to redeem all, but not some only, of the Notes in accordance with Condition 8.2.1 above.

Inability to make payment of the full amount due in respect of a redemption of the Notes under this Condition 8.2.2 shall not constitute an Event of Default under Condition 11 (*Events of Default*).

Notwithstanding the foregoing, if the circumstances referred to in Condition 8.2.1(f)(i) arise:

- (a) owing to the connection of any Holder, or any third party having a beneficial interest in the Notes, Coupon or Receipts, with the place of incorporation or tax jurisdiction of the Issuer otherwise than by reason only of the holding of any Note, Coupon or Receipt or receiving principal, Redemption Amounts, interest or Interest Amounts in respect thereof;
- (b) by reason of the failure by the relevant Holder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax;
- (c) in respect of any Note or Coupon where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (d) in respect of any Note or Coupon presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union,

then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Holder or any third party having a beneficial interest in the Notes, Coupon or Receipt, and shall not be required to redeem the Notes of the relevant Series but this shall not affect the rights of the other Holders, Couponholders and Receiptholders (if any) hereunder. Any such deduction shall not constitute an Event of Default under Condition 11.

8.2.3 *Redemption of Notes and Default Interest*

Upon expiry of the relevant notice under Condition 8.2.1 above and subject to the conditions of such notice the Issuer shall (unless, in the case of Condition 8.2.1(g) only, otherwise requested by the Instructing Creditor) redeem each Note of the relevant Series in whole having applied the net Available Redemption Monies in accordance with the relevant Supplemental Trust Deed and the Issue Document. Clause 17 of the Principal Trust Deed shall apply in respect of any such redemption of Notes.

Interest shall continue to accrue on the Principal Amount of the Notes (other than Zero Coupon Notes, as to which Condition 8.4 applies) to be redeemed until payment thereof has been made to the Holders or, in the case of Bearer Notes, if later, the seventh day after notice is given in accordance with Condition 16 that such amount is available for payment. Once the Available Redemption Monies have been applied in accordance with this Condition 8.2, failure to make any further payment due in respect of a mandatory redemption under this Condition 8.2 of part of the Principal Amount of the Notes or interest thereon or any termination payment under any Related Agreement shall not constitute an Event of Default under Condition 11.

Each Deposit Agreement, Repo Agreement and/or Related Agreement will provide that on such redemption of Notes such Deposit Agreement, Repo Agreement and/or Related Agreement (or a proportionate part thereof which corresponds to the Notes to be redeemed) will terminate. The Issue Document will set out all the terms of such termination (which will reflect the terms of such Related Agreement). The Issue Document will also set out the terms on which the Security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption (which will reflect the terms of the relevant Supplemental Trust Deed).

8.2.4 *Appointment of Disposal Agent*

If the Issuer has not appointed a Disposal Agent in relation to a Series of Notes, the Issuer shall appoint a Disposal Agent as soon as practicable upon becoming aware of the occurrence of a Mandatory Redemption Event related to that Series.

8.2.5 *Application of Mandatory Redemption Events*

The Mandatory Redemption Events may be disapplied, varied, amended or supplemented in respect of any Series of Notes as set out in the relevant Supplemental Trust Deed and/or Issue Document.

8.3 *Purchase*

If a purchase option is specified as being applicable in the Issue Document, the Issuer may, provided that no Event of Default (as defined in Condition 11.1) has occurred and is continuing and no Mandatory Redemption Event has occurred, purchase the Notes (or any of them) (provided that all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

Each Deposit Agreement, Repo Agreement and/or Related Agreement will provide that on such purchase such Deposit Agreement, Repo Agreement and/or Related Agreement (or a proportionate part thereof which corresponds to the Notes to be purchased) will terminate. The Issue Document will set out all the terms of such termination (which will reflect the terms of such Deposit Agreement, Repo Agreement and/or Related Agreement). The Issue Document will also set out the terms on which the Security over the relevant Underlying Assets or part thereof may be released to provide funds for such purchase (which will reflect the terms of the relevant Supplemental Trust Deed). No interest will be payable with respect to a Note purchased pursuant to this Condition in respect of the period from the Interest Payment Date immediately preceding the date of purchase (or, if there is no such Interest Payment Date, from the Issue Date) to the date of such purchase and no interest shall be payable thereafter.

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

8.4 *Early Redemption of Zero Coupon Notes*

Unless otherwise specified in the relevant Issue Document, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Issue Document for the purposes of this Condition 8.4 or, if none is so specified, a Day Count Fraction of 30E/360.

8.5 *Redemption of Variable Redemption Notes*

The Issue Document in respect of a Series of Variable Redemption Notes shall specify the basis for calculation of the Redemption Amount payable upon redemption of such Notes on the Maturity Date or under Condition 8.2 or, if applicable, Conditions 8.6 or 8.7 or upon such Notes becoming due and payable as provided in Condition 11 and the name of the Calculation Agent appointed to determine such Redemption Amount.

8.6 *Redemption at Issuer's Option and Exercise of Issuer's Option*

If so specified in the Issue Document, the Issuer may, subject to compliance with all relevant laws, regulations and directives, on giving irrevocable notice to the Noteholders falling within the Issuer Redemption Option Period (as specified in the Issue Document), redeem or exercise any Issuer Redemption Option (as specified in the Issue Document) in relation to, all or, if so provided, some

only of the Notes in the manner and on the date or dates specified in the Issue Document in the Redemption Amount specified in such Issue Document together with interest accrued to the date fixed for such redemption.

Any notice given by the Issuer to redeem Note(s) pursuant to this Condition may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition and the Issue Document. Unless specified otherwise in the Issue Document notice of redemption in accordance with this Condition will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for such redemption.

In the case of a partial redemption of Notes or a partial exercise of an Issuer Redemption Option (if permitted, as specified in the Issue Document):

- (a) when the Notes are in definitive form or are Registered Notes, the Notes to be redeemed will be selected in the manner indicated in such Issue Document and notice of the Notes called for redemption will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for such redemption; and
- (b) when the Notes are represented in global form, the Notes to be redeemed will be selected in accordance with the rules and procedures of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or (as the case may be) Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

Each relevant Deposit Agreement, Repo Agreement and/or Related Agreement will provide that on the redemption of Notes by the Issuer and/or the exercise of an Issuer's Redemption Option in relation to the Notes, such Deposit Agreement, Repo Agreement and/or Related Agreement (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Issuer pursuant to the exercise of such Issuer's Redemption Option) will terminate. The Issue Document will set out the terms of such termination (which will reflect the terms of such Deposit Agreement, Repo Agreement and/or Related Agreement). The Issue Document will also set out the terms on which the Security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption or for the exercise of such Issuer Redemption Option (which will reflect the terms of the relevant Supplemental Trust Deed).

8.7 *Redemption at the Noteholder's Option and Exercise of the Noteholders' Option*

If the Issue Document in respect of a Series of Notes provides for a Noteholder Option in respect of the redemption of such Notes, the Issuer shall, subject to compliance with all relevant laws, regulations and directives and the terms of such Noteholder Option, redeem such Note on the date or dates specified in such Issue Document at its Redemption Amount specified in such Issue Document, together with interest accrued to the date fixed for such redemption.

To exercise such Noteholder Option which may be specified in the Issue Document, the Noteholder must deposit the relevant Note or, in the case of Registered Notes, the Registered Note Certificate in respect thereof, with any Paying Agent (in the case of Bearer Notes) or the relevant Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the relevant Registrar or any Transfer Agent (in the case of Registered Notes) not more than 30 nor less than 10 days prior to the relevant date for redemption or pursuant to the exercise of such Noteholder Option.

Each Deposit Agreement, Repo Agreement and/or Related Agreement will provide that on the redemption of Notes by the Noteholders pursuant to the exercise of the Noteholder Option in relation

to the Notes such Deposit Agreement, Repo Agreement and/or Related Agreement (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Noteholders pursuant to the exercise of such Noteholder Option) will terminate. The Issue Document will set out the terms of such termination (which will reflect the terms of such Deposit Agreement, Repo Agreement and/or Related Agreement). The Issue Document will also set out the terms on which the Security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption pursuant to the exercise of the Noteholders Option (which will reflect the terms of the relevant Supplemental Trust Deed).

In the case of any Note represented by a Global Note, the Noteholder must deliver the Exercise Notice of such Noteholder's Option together with an authority to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, to debit such Noteholder's account. No Note (or authority) so deposited may be withdrawn (except as provided in the Issue Document) without the prior consent of the Issuer.

8.8 *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Note (other than a Credit Linked Note) which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon:

- 8.8.1 the outstanding Principal Amount of such Note shall be reduced by the Instalment Amount for all purposes; and
- 8.8.2 the notional amount(s) of any Related Agreement upon which payments under the Series of Notes of which such Note forms part are calculated shall be reduced in a proportion equal to the proportion which the Instalment Amount bears to the original notional amount(s) of such Related Agreement.

For the avoidance of doubt, a Credit Linked Note may not be redeemed by instalments.

8.9 *Redemption on the Occurrence of a Credit Event*

- (a) Under the terms of the CDS Agreement for each Series of Credit Linked Notes, the CDS Counterparty may deliver a Credit Event Notice and a Notice of Publicly Available Information (save where section 3.9 of the Credit Derivatives Definitions (as amended) is applicable) with respect to a Reference Entity, to the Issuer, the Trustee, the Portfolio Manager and the Principal Paying Agent at any time during the relevant Notice Delivery Period.
- (b) The Issuer shall give notice (the "**Event Determination Notice**") to the Noteholders (in accordance with Condition 16), the Principal Paying Agent, the Portfolio Manager, the Portfolio Agent, the Swap Calculation Agent and the Trustee of an Event Determination Date in respect of a Reference Entity under the CDS Agreement as soon as reasonably practicable after receiving notification thereof from the CDS Counterparty as set out in paragraph (a) above, and the following provisions of this Condition 8.9 shall then apply.
- (c) Following satisfaction of the Conditions to Settlement, pursuant to the CDS Agreement, the Swap Calculation Agent shall determine the Cash Settlement Amount, the Cumulative Portfolio Settlement Amount, and the Payable Cash Settlement Amount (if any) in respect of the Reference Portfolio for the Credit Linked Notes on the relevant Reference Entity Final Price Calculation Date. The Swap Calculation Agent shall notify the Trustee, the Principal Paying Agent, the Portfolio Manager, the Portfolio Agent and the Issuer thereof. The Issuer

shall thereafter as soon as reasonably practicable notify the Noteholders (in accordance with Condition 16).

- (d) The Swap Calculation Agent (unless the relevant Cash Settlement Date falls later than the Scheduled Maturity Date) shall, if the relevant Payable Cash Settlement Amount is greater than zero, also determine the Market Value of the Collateral Assets selected by it and the Required Notional Amount on the relevant Required Notional Amount Determination Date and shall notify the Trustee, the Principal Paying Agent and the Issuer thereof.

Where the Required Notional Amount of Collateral Assets as so determined is not an integral multiple of the denomination of the relevant Collateral Assets, the Required Notional Amount shall be rounded up to the nearest whole denomination of the relevant Collateral Assets.

- (e) Upon determination by the Swap Calculation Agent (if applicable) of the Market Value of the relevant Collateral Assets, the Required Notional Amount and the Sale Notional Amount, the Sale Notional Amount of the relevant Collateral Assets shall be automatically released by the Trustee and shall be immediately sold at the Market Value by the Disposal Agent for settlement on or prior to the first Business Day preceding the relevant Cash Settlement Date. For the purpose of this Condition 8.9(e), "**Business Day**" shall include any day on which securities systems are open for settlement of the relevant Collateral Assets.
- (f) On each Cash Settlement Date on or prior to the Scheduled Maturity Date, the Issuer shall
 - (i) pay to the CDS Counterparty the relevant Payable Cash Settlement Amount and the absolute value of any Swap Settlement Amount owing to the Swap Counterparty from the proceeds of the sale of the relevant Collateral Assets and the Available Cash Amount; and
 - (ii) redeem each Credit Linked Note of the relevant Series on a *pro rata* basis in an aggregate nominal amount equal to the relevant Required Notional Amount and the relevant Available Cash Amount, in each case at a redemption price equal to zero. Any Rounding Proceeds shall be deposited in the Principal Cash Account.

The Aggregate Outstanding Principal Amount shall be adjusted accordingly and the Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 16) on or as soon as reasonably practicable after the Cash Settlement Date.

For the avoidance of doubt, on the Cash Settlement Date on which the Upper Band is equalled or exceeded, the Issuer shall redeem all the Credit Linked Notes then outstanding at a redemption price equal to the greater of zero and the relevant Rounding Proceeds, subject to the priority of payments if any and such Credit Linked Notes so redeemed shall be cancelled.

- (g) If the Payable Cash Settlement Amount is zero, the CDS Counterparty shall, on the Cash Settlement Date or as soon as reasonably practicable thereafter notify the Issuer of the Cumulative Portfolio Settlement Amount. Following receipt of such notice the Issuer shall notify the Noteholders of each such Series (in accordance with Condition 16), the Trustee and the Principal Paying Agent as soon as reasonably practicable.

8.10 *Cancellation*

All Bearer Notes purchased by or on behalf of the Issuer shall be surrendered to or to the order of the Principal Paying Agent for cancellation and all Registered Note Certificates in respect of Registered Notes purchased by or on behalf of the Issuer shall be surrendered to or to the order of the relevant Registrar and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached

thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8.11 *Exchange of Series*

If specified in the Issue Document, the Issuer may from time to time with the consent of each Counterparty under each relevant Deposit Agreement, Repo Agreement and Related Agreement (if any) with respect to such Series substitute a new Series of Notes (the "**New Series**") for that existing Series of Notes (the "**Existing Series**") as it may deem appropriate.

8.12 *Exchange of Notes for Related Assets*

If an Exchange Option is specified as applicable in the Issue Document, each Noteholder may, at its option, exchange any Note held by it for a corresponding principal amount of Related Assets upon terms that will be more fully set out in the Issue Document.

Whilst the Notes are represented by a Global Note, the option to exchange Notes above shall be exercised by presenting the relevant Global Note at the office of the Principal Paying Agent and the written notice shall specify the Principal Amount of Notes in respect of which the option is to be exercised. The relevant Global Note will be endorsed to reflect the Principal Amount of Notes to be so exchanged.

8.13 *Forced Transfer/Redemption*

The Issuer may, if in its sole determination it is necessary to do so to maintain any applicable exemption from the Investment Company Act, (A) by notice to any Noteholder require such Noteholder to transfer the Notes held by it within such period as may be specified in the notice or (B) give not less than 15 days' notice to any Noteholder and (for so long as the Notes are listed on the Irish Stock Exchange) the Irish Stock Exchange and upon the expiry of such notice, redeem all of the Notes held by such Noteholder at the Redemption Amount.

8.14 *Physical Delivery*

If so specified in the relevant Issue Document, the Notes (unless they are Credit Linked Notes) may be redeemed by delivery to the Noteholders of the Related Assets or any Securities delivered to the Issuer under the terms of any Related Agreement, upon terms that will be more fully set out in the relevant Issue Document and the relevant Supplemental Trust Deed.

9. **Payments**

9.1 *Bearer Notes*

Payments of principal (or, as the case may be, Redemption Amounts) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Notes (other than Dual Currency Notes) will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9.6.5) or Coupons (in the case of interest, save as specified in Condition 9.6.5), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the Relevant Currency drawn on, or, at the option of the Holders by transfer to an account denominated in that currency with a bank in (a) the Principal Financial Centre of the country of the currency concerned if that currency is not euro, or (b) the Principal Financial Centre of any Member State of the European Union if that

currency is euro; provided that in the case of British pounds sterling, the cheque shall be drawn on a branch of a bank in the City of London.

9.2 *Registered Notes*

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Notes (other than Dual Currency Notes) will be made against presentation and surrender of the relevant Registered Note Certificate at the specified office of any of the Transfer Agents or of the relevant Registrar and in the manner provided in Condition 9.1 above.

Payments of instalments in respect of Registered Notes will be made against presentation and surrender of the relevant Registered Note Certificate at the specified office of any of the Transfer Agents or of the relevant Registrar in the manner provided in Condition 9.1 above and annotated on the Register and the relevant Registered Note Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Notes payable on any Interest Payment Date will be paid to the persons shown on the Register on the fifteenth day before the due date for payment thereof (the "**Record Date**") (subject as provided below). Payment of interest or Interest Amounts on each Registered Note (other than a Dual Currency Note) will be made in the Relevant Currency by cheque drawn on a bank in (a) the Principal Financial Centre of the country of the Relevant Currency if that currency is not euro, or (b) the Principal Financial Centre of any Member State of the European Union if that currency is euro, and mailed to the Noteholder (or to the first named of joint Noteholders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar or any Transfer Agent at least ten days before the relevant payment date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the Principal Financial Centre of the country of the Relevant Currency if that currency is not euro, or (b) the Principal Financial Centre of any Member State of the European Union if that currency is euro.

DTC is unable to accept payments denominated in currencies other than U.S. dollars in respect of the Notes. Accordingly, DTC participants which hold beneficial interests in non-U.S. dollar denominated Global Note Certificates registered in the name of a nominee for DTC must, in accordance with the DTC's procedures, notify the Rule 144A Registrar (within the time periods specified in the DTC procedures for such purposes) prior to the date on which interest on, or principal of, a non-U.S. dollar denominated Global Note Certificate is scheduled to be paid, of the relevant bank account details into which such payments are to be made. If such instructions are not received by the Rule 144A Registrar, payments of interest on, or principal in respect of, such non-U.S. dollar denominated Global Note Certificate will not be made until the Registrar is so notified.

Payments in British pounds sterling will be made in the manner specified in Condition 9.1.

9.3 *Payments in the United States*

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

- (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;
- (b) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and

- (c) such payment is then permitted by United States law, without involving adverse tax consequences to the Issuer as certified by the Issuer to the Trustee.

9.4 *Payments subject to fiscal laws; payments on Global Notes and Registered Notes*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 10. No commission or expenses shall be charged to the Holders in respect of such payments.

Payments of principal (or Redemption Amounts) and interest (or Interest Amounts) in respect of Bearer Notes when represented by a Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the Permanent Global Note at the specified office of the Principal Paying Agent, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Principal Paying Agent or the bearer of the Permanent Global Note. A record of each payment so made will be endorsed on the schedule to the Permanent Global Note by or on behalf of the Principal Paying Agent which endorsement shall be *prima facie* evidence that such payment has been made.

Subject to Condition 9.2, the Holder of a Permanent Global Note or Registered Note shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Permanent Global Note or such Registered Note (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Permanent Global Note or Registered Note in respect of each amount paid.

9.5 *Appointment of the Principal Paying Agent, the Paying Agents, the Issue Agent, the Registrar, the Transfer Agents, the Disposal Agent, Swap Calculation Agent and the Calculation Agent*

The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) (while any Series of Registered Notes remains outstanding), a Registrar, (iii) a Calculation Agent where the Conditions so require one, (iv) an Irish Paying Agent and a Transfer Agent having a specified office in a European city which, so long as the Notes are admitted to listing on the Official List of the Irish Stock Exchange, shall be Dublin, (v) a Paying Agent having a specified office in a European city, (vi) a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, and (vii) a Swap Calculation Agent where the Conditions so require.

9.6 *Unmatured Coupons and Receipts and unexchanged Talons*

9.6.1 Upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

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

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

9.6.4 Where any Bearer Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity and/or security as the Issuer may require.

9.6.5 If the due date for redemption of any Note is not a due date for payment of interest or an Interest Amount, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be or, in the case of a Variable Interest Note, the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

9.7 *Payments on Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

9.8 *Dual Currency Notes*

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

9.9 *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 13).

10. **Taxation**

All payments in respect of the Notes, Receipts or Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer, any Paying Agent, any Registrar, any Transfer Agent or, where applicable, the Trustee is required by applicable law to make any payment in respect of the Notes, Receipts or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, such Paying Agent, such Registrar, such Transfer Agent or the Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer, nor any Paying Agent, nor any Registrar, nor any Transfer Agent nor the Trustee will be obliged to make any additional payments to the Holders, in respect of such withholding or deduction, but Condition 8.2.2 will apply. The Issuer, any Paying Agent, or any Registrar or any Transfer Agent may require the Holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

11. **Events of Default**

11.1 *Occurrence of Events of Default*

The Trustee at its discretion may, and if so requested by the Instructing Creditor of a Series shall, (in each case, provided the Trustee is secured, indemnified, or both, to its satisfaction) give notice (an "**Enforcement Notice**") to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable, at their Redemption Amount together with accrued interest (or as otherwise specified in the Issue Document) and the Security constituted by the Trust Deed in respect of such Series shall thereupon become enforceable (as provided in the Trust Deed) on the occurrence of any of the following events (each an "**Event of Default**"):

- 11.1.1 if default is made for a period of 14 days or more, in the case of interest, or 7 days or more, in the case of principal, in the payment of any sum due in respect of such Notes or any of them; or
- 11.1.2 if the Issuer fails to perform or observe any of its other obligations under the Notes of such Series or the Trust Deed and, where the Trustee considers, in its absolute discretion that such default can be remedied, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- 11.1.3 if any order shall be made by any competent court or any resolution passed for the winding-up, examination or dissolution of the Issuer or an order is made for the Issuer's bankruptcy save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or
- 11.1.4 if any other proceedings are initiated against the Issuer under any applicable liquidation, bankruptcy, examination, insolvency, composition, reorganisation, readjustment or other similar laws (but excluding the presentation of any application for an administration order) and such proceedings are not being disputed in good faith, or a receiver, examiner, administrator or other similar official (not being a Receiver) is appointed in relation to the Issuer or in relation to the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer or an encumbrancer (not being the Trustee or any Receiver) shall take possession of the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee or pursuant to any of the Programme Documents or the Transaction Documents) and in any of the foregoing cases such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within 14 days; or if the Issuer shall initiate or consent to judicial proceedings relating to itself (except in accordance with Condition 11.1.3 above) under any applicable liquidation, bankruptcy, examination, insolvency, composition, reorganisation, readjustment or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally; or
- 11.1.5 the Issuer becomes insolvent or is adjudicated or found bankrupt.

11.2 The Events of Default may be varied, amended or supplemented in respect of any Series of Notes as set out in the Issue Document.

11.3 *Confirmation of No Event of Default*

The Issuer shall provide written confirmation to the Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

11.4 *Realisation of the Underlying Assets upon redemption*

If the Security constituted under the Trust Deed becomes enforceable following an acceleration of the Notes of a particular Series as provided in this Condition 11, the Trustee shall, but in each case without any liability as to the consequence of such action and without having regard to the effect of, or being required to account for, such action to, the Secured Creditors in relation to such Series, have the right to enforce its rights under the Security Documents, in relation to the relevant Underlying Assets of such Series only, provided that the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or expense unless previously indemnified and/or secured to its satisfaction.

The provisions of the Trust Deed are expressed to apply separately to each Series. Accordingly, the occurrence of an Event of Default under one Series does not per se constitute nor does it trigger an Event of Default under any other Series.

12. **Limited Recourse and Enforcement**

- 12.1 If the amounts realised from the Underlying Assets in respect of any Series (including, without limitation, a realisation of the Security or a sale or redemption of the Related Assets and termination of any Transaction Document in accordance with these Conditions) are not sufficient (after meeting the Trustee's, the Agents', the Custodian's and any Receiver's expenses, liabilities and remuneration, and any other amounts that rank in priority to the Notes of such Series as specified in the Supplemental Trust Deed and/or in the Issue Document) to make payment of all amounts due in respect of the Notes of such Series and all other Secured Obligations with respect to that Series including, without limitation any amount due to any Counterparty as a result of the termination of any Transaction Document, no other assets of the Issuer will be available to meet that shortfall. Any such shortfall shall be borne in the manner specified in the Supplemental Trust Deed and/or in the Issue Document. Any claim of the Holders of the relevant Series remaining after such application shall be extinguished and such Holders will have no further recourse to the Issuer and any failure to make any payment in respect of such shortfall shall in no circumstances constitute an Event of Default under Condition 11 in respect of such Series or any other Series of Notes.
- 12.2 Only the Trustee may pursue the remedies available under the Trust Deed, the Conditions, the Programme Documents and the Transaction Documents and enforce the rights of the Secured Creditors in relation to the Related Assets of the relevant Series. No Secured Creditor is entitled to proceed directly against the Issuer or any assets of the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Principal Trust Deed, any Supplemental Trust Deed, any Supplementary Security Document executed in relation to the Notes or the Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the Security or pursue the remedies available under the Trust Deed, the Conditions (including under Condition 11.1), any of the Programme Documents or any of the Transaction Documents or otherwise take any action unless it is indemnified and/or secured to its satisfaction and has, if so required by the Conditions, been requested to do so by the Instructing Creditor in respect of the relevant Series.
- 12.3 After realisation of the Security in respect of such Series which has become enforceable and distribution of the net proceeds thereof in accordance with Condition 4 (*Security and Related Agreements*), neither the Trustee nor any Secured Creditor in respect of such Series may take any further steps against the Issuer or its directors or officers, or any of its assets to recover any sums due but unpaid in respect of the Notes or otherwise and each Transaction Document will provide that the relevant Counterparty or, as the case may be, Portfolio Manager or Portfolio Agent may not take any further steps against the Issuer or its directors or officers, or any of its assets to recover any sums due to it but unpaid in respect of each Transaction Document in respect of such Series and all claims and all rights to claim against the Issuer in respect of each such unpaid sum shall be extinguished.

12.4 *No Secured Creditor, nor the Trustee on its behalf, may institute against, or join any person in instituting against the Issuer or its directors or officers any bankruptcy, winding-up, examination, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a Receiver) or other proceeding under any similar law nor shall any of them have any claim in respect of any sums over or in respect of any assets of the Issuer other than those which are Security for the relevant Series. The Secured Creditors accept and agree that the only remedy of the Trustee of any Series against the Issuer or its directors or officers after any of the Notes in a Series have become due and payable pursuant to Condition 11 is to enforce the Security for the relevant Series pursuant to the provisions of the Trust Deed and any Supplementary Security Document executed in relation to such Series.*

12.5 The net proceeds of the Underlying Assets for the relevant Series may be insufficient to pay all amounts due to the Secured Creditors in respect of such Series, in which event claims in respect of all such amounts will be extinguished.

13. **Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

14. **Replacement of Notes, Coupons, Receipts and Talons**

If any Bearer Note, Registered Note Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and any relevant stock exchange requirements, at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) and the Registrar or any Transfer Agent in London (in the case of Registered Notes), upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

15. **Meetings of Noteholders, Modification, Waiver, Authorisation, Substitution and Entitlement of the Trustee**

15.1 *Meetings of Noteholders, Modifications and Waiver*

15.1.1 The Principal Trust Deed contains provisions for convening meetings of Noteholders of a Series or Class to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than one quarter of the Principal Amount or Aggregate Outstanding Principal Amount of the Notes of the relevant Series or Class for the time being outstanding, or at any adjourned such meeting, two or more persons being or representing Noteholders of the relevant Series or Class, whatever the Principal Amount or Aggregate Outstanding Principal Amount of the Notes so held or represented, except that, *inter alia*, certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons or Receipts (if any) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing 75 per cent, of the Principal Amount or Aggregate Outstanding Principal Amount of the Notes of the relevant Series or Class for the time being outstanding or at any adjourned such meeting, not less than 25 per cent. of the Principal Amount or Aggregate Outstanding Principal Amount of the Notes of the relevant Series or Class for the time being

outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Holders of the relevant Series or Class, whether or not they were present at such meeting.

The Holder of a Global Note or a Global Note Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders.

15.1.2 Subject to Condition 15.1.3, the Trustee may, without the consent of the Secured Creditors of any Series, at any time and from time to time concur with the Issuer in making any modification:

- (a) to the Principal Trust Deed (other than sub-paragraph (c) of the definition of "**Relevant Fraction**" and the definition of "**Reserved Matter**" in paragraph 1 of Schedule 1 of the Principal Trust Deed) or any of the other Programme Documents or Transaction Documents to which the Trustee is a party which in the opinion of the Trustee it is proper to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Secured Creditors of any Series (in relation to which it is Trustee); or
- (b) to the Principal Trust Deed or any of the other Programme Documents or Transaction Documents to which the Trustee is a party if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification may be made on such terms and subject to such conditions as may seem fit and proper to the Trustee, shall be binding upon the Holders of such Series and any other Secured Creditor relating to such Series and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

15.1.3 In the case of rated Notes, the Issuer shall obtain prior written confirmation from the relevant Rating Agency or Agencies that any proposed modification referred to in Condition 15.1.2 will not cause the Notes to be downgraded.

15.2 *Authorisation*

Prior to the occurrence of an Event of Default and the service of an Enforcement Notice the Issuer shall be entitled to exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Related Assets. Thereafter, the Trustee may, but need not, exercise any voting rights in respect of such Related Assets (and in either case shall bear no liability for so voting or electing not to vote); *provided* that it shall nevertheless vote if requested to do so by the Instructing Creditor and if the Trustee does vote pursuant to such request, it will bear no liability for so doing.

15.3 *Substitution*

15.3.1 The Principal Trust Deed contains provisions permitting the Trustee to agree:

- (a) without the consent of the Secured Creditors of any Series; but
- (b) if any Notes are rated by a Rating Agency or Rating Agencies subject to the prior receipt by the Trustee of confirmation from such Rating Agency or Rating Agencies that the current rating of the Notes will not be adversely affected,

to the substitution in place of the Issuer as principal debtor under the Trust Deed and the Notes of any Series by another entity (incorporated in any jurisdiction).

15.3.2 In the event that the Issuer becomes subject to any form of tax to which the Issuer was not subject at the time of issue of the relevant Series of Notes (including withholding tax) on its income or payments in respect of the Notes, Coupons or Receipts (if any) of any Series, the Issuer shall use its best endeavours to:

- (a) procure the substitution of another company previously approved in writing by the Trustee and incorporated in some other jurisdiction in which the relevant tax does not apply; or
- (b) procure the establishment of a branch office in another jurisdiction in which the relevant tax does not apply, from which it may continue to carry out its functions under the Programme Documents and the Transaction Documents,

in each case subject to the satisfaction of certain conditions as more fully specified in the Principal Trust Deed.

15.3.3 In connection with any proposed substitution or change of jurisdiction of the Issuer, the Trustee may without the consent of any Secured Creditor agree to a change of the law governing the Principal Trust Deed, the relevant Supplemental Trust Deed, any Supplementary Security Document, any other relevant security document, the Notes of such Series, the Receipts, the Coupons and the Talons (if any) provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the relevant Secured Creditors in respect of such Series or any Counterparty under a relevant Transaction Document.

15.3.4 References to the Issuer in this Condition 15.3 shall include any company substituted for the Issuer pursuant to this Condition 15.3 and the provisions of the Principal Trust Deed.

15.4 *Entitlement of the Trustee*

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

16. **Notices**

16.1 Notices to Holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the fourth business day (being a day other than a Saturday or a Sunday on which the banks in New York, London and/or such other cities as set forth in the Issue Document are open for business) after the date of posting. Other notices to Noteholders will be valid if published in a leading English language daily newspaper published in Dublin (which is expected to be the Irish Times) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language daily newspaper of general circulation in Europe. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders and Receiptholders will be deemed for all

purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

- 16.2 So long as any Notes are represented by Global Notes or Global Note Certificates notices in respect of those Notes may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg (or other relevant clearing system) for communication by them to entitled account holders in substitution for notices given in accordance with Condition 16.1, unless otherwise required by the rules of the Irish Stock Exchange or any other relevant Stock Exchange in relation to Notes listed or admitted to trading on such stock exchange.
- 16.3 The Trustee may approve of other methods of giving notice to Noteholders if, in its sole opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed or admitted to trading and provided that notice of that other method is given to Noteholders in the manner required by the Trustee.

17. **The Trustee**

17.1 *Trustee's indemnity: Trustee free to enter into transactions*

The Trust Deed contains provisions for indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any actions (including the giving of an Enforcement Notice pursuant to Condition 11.1 and the taking of proceedings to enforce repayment) unless indemnified to its satisfaction. The Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, any issuer or guarantor of (or other obligor in respect of) any of the securities or other assets, rights and/or benefits comprising the Underlying Assets or the Secured Creditors or any of their respective subsidiaries or associated companies without accounting to the Issuer or the Secured Creditors for any profit resulting therefrom.

17.2 *Exclusion of liability of Trustee*

The Trustee shall not be responsible for (nor shall it have any liability with respect to any loss, diminution in value or theft of all or any part of the Related Assets) insuring all or any part of the Related Assets (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) or procuring the same to be insured or monitoring the adequacy of any insurance arrangements and from any claim arising in each case if all or any part of the Related Assets (or any such document aforesaid) are held in an account with Euroclear, Clearstream, Luxembourg or any similar clearing system in accordance with that system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian selected by the Trustee. The Trustee does not have any responsibility for monitoring the actions of the Custodian and, in particular, the Trustee will incur no liability, vicarious or otherwise, for any actions or inactivity of the Custodian.

17.3 *New Trustee*

The power to appoint a new trustee in relation to any Series shall be vested in the Issuer of such Series but no person shall be appointed who has not previously been approved by an Extraordinary Resolution in respect of such Series. One or more persons may hold office as trustee or trustees in relation to any Series but such trustee or trustees shall be or include a Trust Corporation. Whenever there are more than two trustees in relation to any Series, the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee in relation to such Series, provided that a Trust Corporation is included in such majority. Any appointment of a new trustee in relation to any Series shall as soon as practicable thereafter be notified by the Issuer to the Custodian, any Sub-Custodian, the Paying Agents, any Registrar, any

Swap Calculation Agent, any Calculation Agent, each Counterparty, the Holders of such Series, any Rating Agencies which have been appointed in relation hereto and the relevant Stock Exchange.

17.4 *Separate and Co-Trustee*

The Trustee may, upon giving notice to the Issuer and any Rating Agencies appointed in relation to such Series (but without the consent of such parties or the Secured Creditors relating to such Series), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee in relation to any Series:

17.4.1 if the Trustee considers such appointment to be in the interests of the Instructing Creditor relating to such Series including but not limited to whether the Trustee considers it has a conflict of interest in respect of two or more Series or in respect of the Underlying Assets of a particular Series at any time;

17.4.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or

17.4.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the Issuer.

17.5 *Trustee's Appointment, Retirement and Removal*

A trustee of any Series may retire at any time on giving not less than three months' prior written notice to the Issuer without assigning any reason and without being responsible for any liabilities occasioned by such retirement. The Holders of each Series shall have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being relating to such Series. The Issuer undertakes that in the event of the only trustee in relation to any Series which is a Trust Corporation giving notice under this Condition or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure a new trustee being a Trust Corporation to be appointed in relation to such Series as soon as reasonably practicable thereafter. If the Issuer does not procure a new trustee prior to the expiry of the notice period given by the Trustee, the Trustee shall be entitled to nominate a replacement. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation has been appointed.

18. **Governing Law**

18.1 *Governing Law*

The Principal Trust Deed, the Supplemental Trust Deed, the Notes, the Coupons, the Receipts and the Talons (if any), the Agency Agreement, the Custody Agreement and all matters arising from or connected therewith are governed by, and shall be construed in accordance with, English law.

18.2 *English courts*

The Issuer has, in the Principal Trust Deed, irrevocably agreed that the courts of England have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes (respectively "**Proceedings**" and "**Disputes**"), arising from or connected with the Notes.

18.3 *Appropriate forum*

The Issuer has, in the Principal Trust Deed, irrevocably agreed that the courts of England are the most appropriate and convenient courts to hear and determine any Proceedings and to settle any Disputes and, accordingly, that it will not argue to the contrary.

18.4 *Rights of the Secured Creditors to take proceedings outside England*

Condition 18.2 is for the benefit of the Secured Creditors only. As a result, nothing in this Condition 18 prevents any Secured Creditor from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Secured Creditors may take concurrent Proceedings in any number of jurisdictions.

18.5 *Process agent*

The Issuer has, in the Principal Trust Deed, agreed that the process by which any Proceedings in England are begun may be served on it by being delivered to the agent specified for service of process in the Trust Deed or its other registered office for the time being. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. In respect of each Series of Notes the Issuer may appoint one or more additional process agents. Nothing contained herein shall affect the right of any Secured Creditor to serve process in any other manner permitted by law.

18.6 *Third Party Rights*

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

19. **Definitions**

In these Conditions the following expressions have the following meanings:

"Accession Deed" means a deed substantially in the form of Schedule 2 to the Agency Agreement made between all of the then parties to the Programme Documents (other than the existing Issuers) and an Additional Issuer whereby such Additional Issuer accedes to and agrees to be bound by the terms of each of the Programme Documents;

"Accrual Yield" has the meaning given in the Issue Document;

"Additional Financial Centre(s)" means the city or cities specified as such in the Issue Document;

"Additional Interest Amount" means, in respect of each Additional Interest Payment Date, an amount calculated by the Swap Calculation Agent to reflect the additional amount (if any) which would have been paid on the Interest Payment Date in respect of each Interest Period during the Adjustment Period during which there are one or more Undetermined Reference Entities had the Final Price in respect of each relevant Reference Entity been calculated on the Event Determination Date for each then Undetermined Reference Entity.

"Adjustment Period" means the period from (and including) the Interest Payment Date immediately preceding the relevant Event Determination Date to (but excluding) the Interest Payment Date immediately preceding the payment of the relevant Payable Cash Settlement Amount.

"**Affiliate**" has the meaning given to such term in the Swap Agreement;

"**Aggregate Available Cash Amount**" means, as of any day, the aggregate of the Available Cash Amounts deducted in the calculation of Required Notional Amounts, to and including such day;

"**Aggregate Outstanding Principal Amount**" means, in respect of a Series of Credit Linked Notes, on any day, the Initial Outstanding Principal Amount minus (without double counting):

- (i) the Aggregate Required Notional Amount;
- (ii) the Aggregate Available Cash Amount;
- (iii) the aggregate of the Applied Redemption Amounts on the Scheduled Maturity Date and each Deferred Interest Payment Date (calculated to but excluding such day); and
- (iv) the Aggregate Purchase Notional Amount;

or as may be specified in the applicable Issue Document;

"**Aggregate Payable Cash Settlement Amount**" means, as of any day, the aggregate of the Payable Cash Settlement Amount calculated to and including such day;

"**Aggregate Purchase Notional Amount**" means, as of any day, in respect of each Note purchased pursuant to Condition 8.3 (*Purchase*) of the relevant Series of Credit Linked Notes, the aggregate of each purchased Note's *pro rata* share of the Aggregate Outstanding Principal Amount (as determined immediately prior to each such purchase);

"**Aggregate Required Notional Amount**" means, as of any day, the aggregate of the Required Notional Amounts to and including such day;

"**Applied Redemption Amount**" means, as determined by the Calculation Agent, in respect of the Credit Linked Notes on the Scheduled Maturity Date and each Deferred Interest Payment Date, an amount equal to the Aggregate Outstanding Principal Amount of the Credit Linked Notes less the Withheld Principal on such date;

"**Available Cash Amount**" means, in respect of any Payable Cash Settlement Amount, the amount standing to the credit of the Principal Cash Account on the date on which the Required Notional Amount is determined;

"**Available Redemption Monies**" has the meaning given to it in Condition 8.2.1;

"**Average Notional Amount**" means, in respect of any Interest Period, an amount equal to the quotient of:

- (i) the sum of the Notional Amounts for each calendar day within such Interest Period; and
- (ii) the number of calendar days in such Interest Period.

"**Bearer Notes**" means Notes in bearer form;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Financial Centre or Centres specified in the Issue Document; and

- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the Relevant Currency and in each (if any) Additional Financial Centre or Centres specified in the Issue Document;

"Cash Settlement Amount" has the meaning given in the CDS Agreement;

"Cash Settlement Date" has the meaning given in the CDS Agreement;

"CDS Agreement" means, in relation to a Series of Credit Linked Notes, each credit default swap transaction(s) or other derivative transaction(s) governed by, forming part of and being subject to a 1992 or 2002 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto entered into by the Issuer and the CDS Counterparty, together with the CDS Confirmation entered into by the Issuer and the CDS Counterparty, each dated the Issue Date;

"CDS Confirmation" means the credit default swap confirmation between the Issuer and the CDS Counterparty;

"Collateral Assets Dealer" means a dealer in obligations of the type of the Collateral Assets (as selected by the Swap Calculation Agent in its absolute discretion and one of whom may include the CDS Counterparty or its affiliates);

"Collateral Assets Quotation" means, in respect of the Collateral Assets selected by the Swap Calculation Agent for the purposes of calculating the relevant Required Notional Amount, each firm bid quotation (including accrued interest) obtained by the Swap Calculation Agent from a Collateral Assets Dealer and expressed as a percentage, with respect to a Required Notional Amount Determination Date;

"Conditions to Settlement" has the meaning given in the CDS Agreement;

"Counterparty" means a counterparty of the Issuer under a Related Agreement, a Deposit Agreement, a Repo Agreement or a Securities Transfer Agreement, including, for the avoidance of doubt, a CDS Counterparty;

"Credit Derivatives Definitions" means 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;

"Credit Event" has the meaning given in the CDS Agreement;

"Credit Event Notice" has the meaning given in the CDS Agreement;

"Credit Linked Notes" means Notes which are credit linked to a Reference Portfolio under the CDS Transaction;

"Cumulative Portfolio Settlement Amount" has the meaning given in the CDS Agreement;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the Issue Document and:

- (i) if **"Actual/Actual (ISMA)"** is so specified, means:

- (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (a) the number of days in such Calculation Period falling in the Regular Period in which the Calculation Period begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods that would occur in one calendar year; and
 - (b) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

"Deferred Interest Payment Date" means, in relation to a Series of Credit Linked Notes, the date(s) set out in the Issue Document;

"Definitive Note" means a Bearer Note in definitive form in substantially the form set out in Schedule 5 to the Principal Trust Deed or in such other form as may be set out in the relevant Supplemental Trust Deed;

"Deposit Agreement" means any deposit agreement specified in the relevant Supplemental Trust Deed between an Issuer and a bank which specifies the terms of a deposit made by the Issuer at such bank;

"Disposal Agent" means Abbey National Treasury Services plc ("ANTS") or such other disposal agent as may substitute ANTS in accordance with the Agency Agreement or the provisions of the relevant Issue Document and/or Supplemental Trust Deed;

"DTC" means The Depository Trust Company at its office for the time being at 55 Water Street, New York, N.Y. 10041, United States of America;

"Dual Currency Note" means a Note in respect of which payments of principal and/or interest are made in such different currencies, and based on such rates of exchange, as are specified in the Issue Document;

"Eligibility Criteria" has the meaning given in the Issue Document;

"Encumbrance" means any mortgage, charge, pledge, lien, hypothecation, security interest or other arrangement having similar effect;

"euro" means the lawful currency of the Participating Member States;

"Event Determination Date" means the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are effective in respect of a Reference Entity pursuant to the CDS Agreement;

"Extraordinary Resolution" has the meaning set out in paragraph 1 of Schedule 1 to the Principal Trust Deed;

"Final Price" has the meaning given in the CDS Agreement;

"Final Price Calculation Date" has the meaning given in the CDS Agreement;

"Fixed Coupon Amount" has the meaning given in the Issue Document;

"Fixed Rate Note" means a Note which bears interest at a fixed rate;

"Floating Rate Note" means a Note which bears interest at a variable rate either on the basis of a reference rate appearing on a specified screen page of a commercial quotation service or on the basis of quotations from reference banks or on such other basis as may be specified in the Issue Document and as adjusted for any applicable margin;

"Global Note" means a Temporary Global Note or a Permanent Global Note;

"Global Note Certificate" means a global certificate representing either Unrestricted Notes or Restricted Notes;

"Grace Period Extension" has the meaning given in the CDS Agreement;

"Grace Period Extension Date" has the meaning given in the CDS Agreement;

"Guarantor" means a guarantor of the obligations of a Counterparty to a Related Agreement;

"Holder" means the bearer of any Bearer Note, Coupon, Receipt or Talon (as the case may be) and the person in whose name a Registered Note is registered, as the case may be;

"Individual Note Certificate" means either a Restricted Individual Note Certificate or an Unrestricted Individual Note Certificate, substantially in the forms set forth in Schedules 8 and 9 respectively, to the Principal Trust Deed;

"Initial Outstanding Principal Amount" means, in relation to a Series of Credit Linked Notes, the amount specified in the Issue Document;

"Instalment Amount" means, in relation to an Instalment Note, each amount of principal specified as such in the applicable Issue Document;

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Issue Document;

"Interest Determination Date" means, with respect to an Interest Rate and an Interest Period, the date specified as such in the Issue Document or, if none is so specified, the day falling two Business Days in London prior to the first day of such Interest Period (or if the specified currency is British pound sterling the first day of such Interest Period);

"Interest Payment Date" means the date(s) specified as such in the Issue Document;

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

"Interest Rate" means the rate of interest payable from time to time in respect of the Notes and which is either specified in, or calculated in accordance with the provisions of, these Conditions and/or the Issue Document;

"Investment Company Act" means the United States Investment Company Act of 1940, as amended;

"ISDA Definitions" means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.);

"Issue Document" means:

- (i) in relation to a Tranche of Notes which are not to be or are not intended to be admitted to listing, trading and/or quotation on any Stock Exchange or offered to the public in a Member State of the European Economic Area for the purposes of the Prospectus Directive, a Pricing Supplement; or
- (ii) in relation to a Tranche of Notes intended to be admitted to listing, trading and/or quotation on any Stock Exchange or offered to the public in a Member State of the European Economic Area for the purposes of the Prospectus Directive, a Securities Note and, if applicable, a Summary Note;

"Issue Date" means the date of issue of the Notes;

"Margin" means the rate per annum (expressed as a percentage) specified in the Issue Document;

"Market Value" means, with respect to the Collateral Assets, the highest Collateral Assets Quotation obtained by the Swap Calculation Agent from a Collateral Assets Dealer. The Swap Calculation Agent shall attempt to obtain Collateral Assets Quotations from at least five Collateral

Assets Dealers with respect to each Required Notional Amount Determination Date or, as the case may be, the relevant date of determination. If no Collateral Assets Quotation is obtained, the Market Value of the Collateral Assets shall be an amount as determined by the Swap Calculation Agent in good faith and in a commercially reasonable manner;

"Maturity Date" means the later of (i) the Scheduled Maturity Date and (ii) the Postponed Maturity Date;

"Maturity Deferral Rate" means, in relation to each day in the Deferral Period, a rate equal to the overnight rate in the Relevant Currency, as determined by the Calculation Agent.

"Maximum Cash Settlement Amount" means, in respect of each Credit Event relating to an Undetermined Reference Entity, a Payable Cash Settlement Amount determined on the basis that the Final Price of each related Reference Obligation is zero, in each case as determined by the Swap Calculation Agent in good faith and in a commercially reasonable manner.

"Non-Interest Bearing Note" means a Variable Redemption Note that does not bear interest and which does not have an Accrual Yield;

"Noteholder" means the bearer of any Bearer Note or, as the case may be, the person in whose name a Registered Note is registered;

"Notice Delivery Period" shall have the meaning given in the CDS Agreement;

"Notice of Publicly Available Information" shall have the meaning given in the Swap Agreement;

"Notional Amount" means, in respect of any date, an amount equal to the Aggregate Outstanding Principal Amount of the Notes on such date less an amount in the Relevant Currency equal to the aggregate of the Maximum Cash Settlement Amounts in respect of all the Undetermined Reference Entities on such date.

"Official List" means the Official List of the Irish Stock Exchange;

"Operating Procedures Memorandum" means the operating procedures memorandum prepared by the Issuers for the purposes of the Programme as amended or varied from time to time with, in each case, the prior approval in writing of the Arranger, Trustee and the Principal Paying Agent or, in the case of a Series of Registered Notes, the Registrar;

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Monitor Money Rates Service ("**Reuters**") and the Dow Jones Telerate Service ("**Telerate**")) as may be specified in the Issue Document, or such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying comparable rates or prices;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payable Cash Settlement Amount" has the meaning given in the CDS Agreement;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:

- (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
- (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permanent Global Note" means a permanent global note in bearer form substantially in the form set out in Schedule 4 to the Principal Trust Deed or in such other form as may be agreed between the relevant Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) issued or to be issued by the relevant Issuer pursuant to the Programme Dealer Agreement or pursuant to another agreement between the relevant Issuer and the relevant Dealer(s) in exchange for the whole or part of a Temporary Global Note issued in respect of the Notes of the same Series;

"Portfolio Agent" means, in relation to a Series of Credit Linked Notes, the entity specified as such in the relevant Portfolio Management Agreement and Issue Document;

"Portfolio Manager" means, in relation to a Series of Credit Linked Notes, the entity specified as such in the relevant Portfolio Management Agreement and Issue Document;

"Postponed Maturity Date" means the earlier of (i) the expiry of the Notice Delivery Period for all Unsettled Credit Events and in respect of which no Event Determination Dates occurred; and (ii) the Final Cash Settlement Date;

"Potential Failure to Pay" has the meaning given in the CDS Agreement;

"Potential Repudiation/Moratorium" has the meaning given in the CDS Agreement;

"Pricing Supplement" means the document substantially in the form of Annex 3 to the Operating Procedures Memorandum which will be completed in respect of each Tranche or Series of Notes (other than Notes in respect of which a Prospectus has been prepared) incorporating by reference the relevant Registration Document and giving details of the relevant Tranche;

"Principal Amount" means, in relation to a Note (other than a Credit Linked Note) or Series (other than a Series of Credit Linked Notes), the original face value thereof (or, in the case of Partly Paid Notes, the amount effectively paid up in respect of such Notes) less any repayment of principal made to the Holder(s) thereof in respect of such Note or Series;

"Principal Cash Account" means, in relation to a Series of Credit Linked Notes, the account of the Issuer specified as such in the Issue Document;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Programme Dealer Agreement" means the amended and restated programme dealer agreement dated 5 June 2007 between the Initial Issuers, the Arranger and the Initial Dealers named therein in relation to the Notes, together with any other agreement for the time being in force amending or modifying the aforesaid agreement with the prior written approval of any relevant Trustee;

"Programme Documents" means:

- (i) the Programme Dealer Agreement;
- (ii) the Principal Trust Deed;
- (iii) the Agency Agreement;
- (iv) each Corporate Services Agreement;
- (v) the Custody Agreement;
- (vi) this Master Schedule of Definitions;
- (vii) the Intermediation Agreement; and
- (viii) any other agreement or document designated by the relevant Issuer, the Trustee and the Arranger as a Programme Document;

"Prospectus" means, in relation to a Tranche of Notes, the prospectus prepared in connection with that Tranche of Notes, that constitutes a prospectus for the purposes of Article 5 of the Prospectus Directive, as revised, supplemented or amended from time to time by the relevant Issuer, including any documents which are from time to time incorporated in that Prospectus by reference;

"Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003;

"QIB" means a "qualified institutional buyer" as defined in Rule 144A under the Securities Act;

"Qualified Purchaser" means a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder;

"Rating Agency" means, in relation to a Series of Notes that is rated, each rating agency specified in the Issue Document or any successor designated;

"Rating Agency Confirmation" means, in relation to a Series of Notes that is rated, the notification of the relevant event specified in the Issue Document and/or the Principal Trust Deed to the Rating Agency and prior affirmation from the Rating Agency that there has been no adverse change to the then credit rating granted by such Rating Agency in respect of such Notes;

"Receiver" means any receiver or manager appointed by the Trustee under the Trust Deed or any Security Document;

"Redemption Amount" means, unless otherwise specified in the Issue Document or the Conditions, (i) in relation to a Credit Linked Note of the relevant Series, the Credit Linked Note's *pro rata* share of the Aggregate Outstanding Principal Amount, and (ii) in relation to any other Note or Series, the amount of the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Note or Series;

"Reference Banks" means the institutions specified as such or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Calculation Agent in its sole and absolute discretion;

"Reference Entity" has the meaning given in the CDS Agreement;

"Reference Entity Final Price Calculation Date" means in respect of each Reference Entity the last Final Price Calculation Date for such Reference Entity;

"Reference Obligation" means each Reference Obligation under a CDS Transaction;

"Reference Portfolio" means the reference portfolio under the CDS Transaction, and if applicable, as may be amended from time to time in accordance with the Portfolio Management Agreement;

"Reference Price" has the meaning given in the relevant Issue Document;

"Register" means the register relating to Registered Notes;

"Registered Notes" means Notes in registered form;

"Registered Note Certificate" means a certificate representing a Noteholder's entire initial holding of Registered Notes in substantially one of the forms set out in Schedules 6, 7, 8 and 9 to the Principal Trust Deed or in such other form as may be set out in the relevant Supplemental Trust Deed;

"Registrar" means the Regulation S Registrar, the Rule 144A Registrar or such other registrar as may be specified in the Issue Document;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period (from and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment

Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Regulation S**" means Regulation S under the Securities Act;

"**Related Agreements**" means, in relation to a particular Series of Notes:

- (a) any Swap Agreement; and/or
- (b) any letters of credit, guarantees or other credit support or credit enhancement documents or other financial arrangements,

and identified as such in the applicable Issue Document, and "**Related Agreement**" shall mean any one such document;

"**Related Assets**" means, in relation to a Series or Tranche of Notes:

- (i) any deposit (each a "**Deposit**") made, or to be made, by the relevant Issuer with one or more persons identified in the Issue Document as deposit bank pursuant to a Deposit Agreement; and/or
- (ii) any Securities ("**Repo Assets**") acquired, or to be acquired, by the relevant Issuer pursuant to the terms of a Repo Agreement; and/or
- (iii) any Securities ("**Collateral Assets**") assigned, or to be assigned, to or otherwise vested in the relevant Issuer pursuant to a Securities Transfer Agreement;

"**Relevant Currency**" means the currency in which any Note is denominated and, in the case of Dual Currency Notes, the currency or currencies in which payments in respect of such Notes are to be made as specified in the Issue Document;

"**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in the Principal Financial Centre of the Relevant Currency by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" means, with respect to any Note, the financial centre as may be specified in the Issue Document as such or, if none is so specified, the financial centre with which the Relevant Rate is most closely connected as determined by the Calculation Agent;

"**Relevant Rate**" means the offered rate for a Representative Amount of the Relevant Currency for a period (if applicable) equal to the Specified Duration (or such other rate as shall be specified in the Issue Document);

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Issue Document or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Replacement Portfolio Agent**" has the meaning given to such term in the Portfolio Management Agreement;

"Replacement Portfolio Manager" has the meaning given to such term in the Portfolio Management Agreement;

"Repo Agreement" means, in relation to a Series or Tranche of Notes, any repo agreement specified in the relevant Supplemental Trust Deed between the relevant Issuer and a Repo Counterparty incorporating the TBMA/ISMA Global Master Repurchase Agreement (or, if the relevant Issuer and the Repo Counterparty so agree, any amendment, supplement or replacement thereof);

"Repo Counterparty" means, in relation to a Series or Tranche of Notes, each person identified as such in the Issue Document;

"Representative Amount" means, with respect to any rate to be determined on an Interest Determination Date, the amount specified in the Issue Document as such or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

"Repudiation/Moratorium" has the meaning given in the CDS Agreement;

"Repudiation/Moratorium Evaluation Date" has the meaning given in the CDS Agreement;

"Repudiation/Moratorium Extension Condition" has the meaning given in the CDS Agreement;

"request" means in respect of each Series:

- (a) in the case of an Instructing Creditor who is not the Noteholders, a written request;
- (b) in the case of an Instructing Creditor being the Noteholders, a request in writing by the Noteholder(s) of at least one fifth of the aggregate Principal Amount or Aggregate Outstanding Principal Amount of the Notes of such Series then outstanding or an Extraordinary Resolution of the Noteholders of such Series; or
- (c) in the case of the Instructing Creditor being the Noteholders of a particular Class, a request in writing by the Noteholder(s) of at least one fifth of the aggregate Principal Amount or Aggregate Outstanding Principal Amount of the Notes of such Class of that Series then outstanding or an Extraordinary Resolution of the Noteholders of such Class of that Series;

and **"requested"** shall be construed accordingly;

"Required Notional Amount" means a nominal amount of the Collateral Assets such that either (A) the sale or redemption proceeds thereof converted, if necessary, by the Swap Calculation Agent, into the Relevant Currency at the then prevailing spot rate of exchange, including, for the avoidance of doubt, any interest thereon or (B) the Market Value thereof determined by the Swap Calculation Agent, is equal to (i) the aggregate of (a) the relevant Payable Cash Settlement Amount, (b) the relevant Swap Settlement Amount (if any) payable by the Issuer and (c) any costs and expenses associated with any such sale, less (ii) the aggregate of (a) the Available Cash Amount and (b) the Swap Settlement Amount (if any) payable to the Issuer, provided that where the Required Notional Amount as so determined would exceed the then outstanding nominal amount of the Collateral Assets the Required Notional Amount shall mean the outstanding nominal amount of the Collateral Assets, or as may be specified in the applicable Issue Document;

"Required Notional Amount Determination Date" means, in the case of a Payable Cash Settlement Amount, following an Event Determination Date, a day determined by the Swap Calculation Agent in its absolute discretion being no earlier than the relevant Reference Entity Final Price Calculation Date and no later than the third Business Day prior to the relevant Cash Settlement Date;

"Restricted Global Note Certificate" means a global certificate in fully registered form without interest coupons attached which represents Restricted Notes which are offered and sold in the United States to investors that are both QIBs and Qualified Purchasers in reliance on Rule 144A and in substantially the form set out in Schedule 6 to the Principal Trust Deed or in such other form as may be set out in the relevant Supplemental Trust Deed;

"Restricted Individual Note Certificate" means an individual certificate in definitive fully registered form without interest coupons attached and which represents Restricted Notes which are offered and sold in the United States to investors that are both QIBs and Qualified Purchasers in reliance on Rule 144A and in substantially the form set forth in Schedule 8 to the Principal Trust Deed or in such other form as may be set out in the relevant Supplemental Trust Deed;

"Restricted Notes" means Notes offered and sold in the United States in reliance on Rule 144A or in reliance on Regulation D under the Securities Act;

"Rounding Proceeds" means, where the Required Notional Amount is not an integral multiple of the authorised denomination of the Collateral Assets, the proceeds of sale of the Collateral Assets corresponding to the amount by which the Required Notional Amount was rounded up to the Sale Notional Amount;

"Rule 144A" means Rule 144A under the Securities Act;

"Sale Notional Amount" means, where the Required Notional Amount of Collateral Assets is not an integral multiple of the denomination of the Collateral Assets, the nearest whole denomination of the Collateral Assets to which the Required Notional Amount shall be rounded up, and otherwise the Required Notional Amount;

"Scheduled Maturity Date" means (i) the date specified in the Issue Document as the final date on which the Principal Amount of the Notes is due and repayable or (ii) in relation to a Series of Credit Linked Notes, the Scheduled Termination Date;

"Scheduled Termination Date" means the date set out in the Issue Document;

"Secured Creditors" means, in respect of each Series of Notes, the Noteholders, each Counterparty, the Portfolio Manager (if any), the Portfolio Agent (if any) and such other persons defined as such in the Issue Document and Supplemental Trust Deed and the term **"Secured Creditor"** shall be construed accordingly;

"Secured Obligations" means, in relation to any Series of Notes, all moneys, debts and liabilities which are or have been or at any time may be or become due, owing or incurred, actually or contingently, by the relevant Issuer to the relevant Secured Creditors;

"Securities" means bonds or notes of any form, currency, denomination, type and issuer, the benefit of any loans and other contractual rights (including, without limitation, with respect to any sub-participations or any swap, option or other type of derivative transaction) and other financial assets (including, without limitation, equity and trust interests);

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

"Securities Note" means, in relation to a Series or Tranche of Notes, the securities note prepared in relation to that Series or Tranche and describing the terms of the Notes and the Related Assets and Related Agreements;

"**Securities Transfer Agreement**" means any agreement, other than a Repo Agreement, specified in the relevant Supplemental Trust Deed between an Issuer and a third party by which an Issuer agrees to purchase or otherwise acquire Securities from that third party;

"**Specified Denomination(s)**" has the meaning given in the Issue Document and shall not be less than EUR 50,000 (or its equivalent in any other currency);

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period or duration specified in the Issue Document or, if none is specified, a period of time equal to the relative Interest Period;

"**Specified Rating**" means the short-term rating assigned to the bank or financial institution in which the Principal Cash Account is held, as specified in the Issue Document;

"**Sub-Custodian**" has the meaning given to that term in a Custody Agreement;

"**Subscription Agreement**" means an agreement (whether oral or in writing) between the Issuer and any Dealer(s) for the issue by the Issuer and the subscription by such Dealer(s) (or on such other basis as may be agreed between the Issuer and the relevant Dealer(s) at the relevant time) of any Notes and shall include, without limitation, any agreement in the form or based on the form set out in Schedule 6 (*Syndication Agreement*) of the Programme Dealer Agreement;

"**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent;

"**Summary Note**" means, in relation to a Series or Tranche of Notes, when applicable under article 5.2 of the Prospectus Directive, the summary note prepared in relation to that Series or Tranche conveying the essential characteristics and risks associated with the Notes;

"**Swap Agreement**" means, in relation to a Series of Notes:

- (a) an ISDA master agreement including the schedule thereto (a "**Master Agreement**") in relation to that Series between the relevant Issuer and a Swap Counterparty; and
- (b) each written confirmation issued by a Swap Counterparty in respect of a swap, option, forward or other derivative or hedging transaction (each a "**Transaction**") made between the relevant Issuer and the Swap Counterparty under the terms of a Master Agreement in relation to that Series;
- (c) any ISDA credit support annex or ISDA credit support deed between the relevant Issuer and a Swap Counterparty that supplements and forms part of a Master Agreement in relation to that Series;
- (d) any guarantee of a Guarantor, if any, in respect of a Swap Counterparty's obligations under a Master Agreement and any Transactions,

and, for the avoidance of doubt, shall, for Credit Linked Notes, include a CDS Agreement;

"**Swap Calculation Agent**" means, in relation to a Series of Notes, each person identified as such in the applicable Issue Document.

"**Swap Counterparty**" means, in relation to a Series of Notes, each person identified as such in the applicable Issue Document and, for Credit Linked Notes, shall include any CDS Counterparty;

"Swap Settlement Amount" means the termination amount (if any), in the Relevant Currency (unless otherwise specified in the Issue Document) (a) that is payable by the Issuer to the Swap Counterparty in respect of the early termination of a proportion of the interest rate and/or cross-currency derivative transaction (including, without limitation, caps and floors) (expressed as a negative number) equal to the relevant Sale Notional Amount expressed as a percentage of the Initial Outstanding Principal Amount of the Credit Linked Notes or (b) that is payable to the Issuer by the Swap Counterparty in respect of the early termination of a proportion of the interest rate and/or cross-currency derivative transaction (including, without limitation, caps and floors) (expressed as a positive number) equal to the relevant Sale Notional Amount expressed as a percentage of the Initial Outstanding Principal Amount of the Credit Linked Notes, as determined by the Swap Calculation Agent, without taking into account the consequences of the occurrence of the relevant Event Determination Date;

"TARGET Settlement Day" means any day on which the TARGET system is open;

"TARGET system" means the Trans-European Automated Real-Time Gross Settlement Express Transfer system;

"Temporary Global Note" means a temporary global note in bearer form substantially in the form set out in Schedule 3 to the Principal Trust Deed or in such other form as may be agreed between the relevant Issuer, the Trustee, the Principal Paying Agent and the relevant Dealer(s) initially comprising Notes issued or to be issued by the Issuer pursuant to the Principal Trust Deed or pursuant to another agreement between the Issuer and the relevant Dealer(s);

"Transaction Documents" means, in relation to any Series of Notes:

- (i) the applicable Issue Document;
- (ii) any Subscription Agreement (if any);
- (iii) the Supplemental Trust Deed;
- (iv) any Deposit Agreement;
- (v) any Repo Agreement;
- (vi) any Securities Transfer Agreement;
- (vii) each Related Agreement(s);
- (viii) any Series Custody Agreement or Sub-Custodian Agreement;
- (ix) any Series Agency Agreement;
- (x) the Notes of such Series;
- (xi) any Supplementary Security Document;
- (xii) any Accession Deed;
- (xiii) any Portfolio Management Agreement; and
- (xiv) the final form of any other documents entered into by a party or produced in connection with such Series;

"Treaty" means the Treaty establishing the European Community, as amended by the Treaty on European Union;

"Trust Corporation" means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of custodian trustee;

"U.S. person" has the meaning set out in Regulation S under the Securities Act;

"Underlying Assets" means, in relation to each Series of Notes: (i) the relevant Related Assets and any Substitute Assets, (ii) the relevant Related Agreements and any Substitute Agreements, (iii) any Deposit Agreement, Repo Agreement and/or Securities Transfer Agreement specified as an "Underlying Asset" in the relevant Supplemental Trust Deed and (iv) any other rights or assets specified as "Underlying Assets" in the relevant Supplemental Trust Deed or Supplementary Security Document;

"Undetermined Reference Entity" has the meaning given in the CDS Agreement;

"Unrestricted Individual Note Certificate" means an individual certificate in definitive fully registered form without interest coupons attached and which represents Unrestricted Notes offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and in substantially the form set forth in Schedule 9 to the Principal Trust Deed or in such other form as may be set out in the relevant Supplemental Trust Deed;

"Unrestricted Notes" means Notes offered and sold outside the United States to non-U.S. persons in reliance on Regulation S;

"Unsettled Credit Events" means, as of the Scheduled Termination Date and each Deferred Interest Payment Date, as determined by the CDS Counterparty, in respect of a Reference Entity, (i) a Payable Cash Settlement Amount has been determined but is not yet due to be paid under the CDS Agreement, (ii) an Event Determination Date under the CDS Agreement has occurred on or prior to the Scheduled Termination Date but the Payable Cash Settlement Amount (if any) is still to be determined (except where such Payable Cash Settlement Amount could not exceed zero) or (iii) a Credit Event under the CDS Agreement may have, in the CDS Counterparty's reasonable opinion, occurred and an Event Determination Date under the CDS Agreement has not occurred as of the Scheduled Termination Date but the Conditions to Settlement could be satisfied within 14 calendar days of either (i) the Scheduled Termination Date or (ii) the Grace Period Extension Date, if (A) Grace Period Extension is specified as applicable, (B) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Termination Date, and (C) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Date; or (iii) the Repudiation/Moratorium Evaluation Date, if (A) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Termination Date, (B) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date and (C) the Repudiation/Moratorium Extension Condition is satisfied;

"Upper Band" has the meaning given in the CDS Agreement;

"Variable Interest Note" means a Note, other than a Floating Rate Note, in respect of which the rate of interest is calculated by reference to the price, value, performance or some other factor related to any index, shares, securities, commodities or other financial assets or to the creditworthiness of, or the performance of obligations by, or some other factor relating to one or more persons, as specified in the Issue Document;

"Variable Redemption Note" means a Note in respect of which payments of principal are calculated by reference to the price, value, performance or some other factor related to any index, shares, securities, commodities or other financial assets or to the creditworthiness of, or the performance of obligations by, or some other factor relating to one or more persons, as specified in the Issue Document; and

"Zero Coupon Note" means a Note offered at a discount to its nominal amount and which bears no interest.

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