

CONFORMED COPY OF EXECUTION VERSION
AS AMENDED ON 13 JANUARY 2012,
18 OCTOBER 2013, 15 DECEMBER 2014, 22
JANUARY 2016, 26 JUNE 2017, 8 AUGUST 2018, 4
OCTOBER 2021, 25 NOVEMBER 2022
AND 30 JUNE 2023

BAA FUNDING LIMITED

as Issuer

BAA LIMITED

as Bond Guarantor

AND

DEUTSCHE TRUSTEE COMPANY LIMITED

as Bond Trustee

BOND TRUST DEED

in respect of a

£50,000,000,000

MULTICURRENCY PROGRAMME

**for the issuance of Wrapped Bonds unconditionally and
irrevocably guaranteed as to ultimate payments of principal
and interest pursuant to Financial Guarantees issued by each
Relevant Financial Guarantor and Unwrapped Bonds**

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THIS BOND TRUST DEED is made on the date of the Master Execution Deed and was amended by a **FIRST SUPPLEMENTAL BOND TRUST DEED** dated 13 January 2012, a **SECOND SUPPLEMENTAL BOND TRUST DEED** dated 18 October 2013, a **THIRD SUPPLEMENTAL BOND TRUST DEED** dated 15 December 2014, a **FOURTH SUPPLEMENTAL BOND TRUST DEED** dated 22 January 2016, a **FIFTH SUPPLEMENTAL BOND TRUST DEED** dated 26 June 2017, a **SIXTH SUPPLEMENTAL BOND TRUST DEED** dated 8 August 2018, a **SEVENTH SUPPLEMENTAL BOND TRUST DEED** dated 4 October 2021, an **EIGHTH SUPPLEMENTAL BOND TRUST DEED** dated 25 November 2022 and a **NINTH SUPPLEMENTAL BOND TRUST DEED** dated 30 June 2023.

BETWEEN:

- (1) **BAA FUNDING LIMITED**, a public company incorporated in Jersey (with registered number 99529) (the “**Issuer**”);
- (2) **BAA LIMITED**, a company incorporated in England and Wales with limited liability (registered number 01970855) whose registered office is at 130 Wilton Road, London SW1V 1LQ (the “**Bond Guarantor**”); and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (the “**Bond Trustee**”, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of this Bond Trust Deed) as trustee for the Bondholders, the Receiptholders, the Couponholders and the other Issuer Secured Creditors (each as defined in the Master Definitions Agreement (as defined below)).

WHEREAS:

- (A) By a resolution of the Board of Directors of the Issuer passed on 9 July 2008, the Issuer has resolved to establish a bond programme for the issuance of wrapped bonds (the “**Wrapped Bonds**”) and unwrapped bonds (the “**Unwrapped Bonds**”) (together with the Wrapped Bonds, the “**Bonds**”), pursuant to which the Issuer may from time to time issue Bonds as set out herein (the “**Programme**”). Bonds up to a maximum aggregate principal amount from time to time outstanding of £50,000,000,000 (or the equivalent thereof in other currencies) (subject to increase as provided in the Dealership Agreement) (the “**Programme Limit**”) may be issued pursuant to the Programme.
- (B) The Bond Trustee has agreed to act as trustee of this Bond Trust Deed for the benefit of the Bondholders, the Receiptholders and the Couponholders and other Issuer Secured Creditors upon and subject to the terms and conditions of this Bond Trust Deed.

NOW THIS BOND TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 Unless otherwise defined in this Bond Trust Deed or the context requires otherwise, words and expressions used in this Bond Trust Deed have the meanings and construction ascribed to them in the master definitions agreement dated on or about the date of this Bond Trust Deed between, *inter alios*, the Issuer and the Bond Trustee (the “**Master Definitions Agreement**”), the Conditions, the relevant Financial Guarantee or the applicable Final Terms provided that, in the event of any inconsistency between this Bond Trust Deed and the Conditions or the applicable Final Terms, the Conditions or the applicable Final Terms, as the case may be, shall prevail and, in the event of any inconsistency between this Bond Trust Deed and the Master Definitions Agreement or the relevant Financial Guarantee, this Bond Trust Deed shall prevail.

In addition, “**this Bond Trust Deed**” means this Bond Trust Deed and the Schedules and any trust deed supplemental hereto and the Schedules (if any) thereto and the Bonds, the Receipts, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Final Terms, all as from time to time modified in accordance with the provisions herein or therein contained.

All references in this Bond Trust Deed to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in this Bond Trust Deed.

- 1.2 The Schedules are part of this Bond Trust Deed and shall have effect accordingly.
- 1.3 Except as expressly provided otherwise herein, where under this Bond Trust Deed, the Bond Trustee or any Financial Guarantor is entitled or required to exercise any of its powers, trusts, authorities, duties and discretions pursuant to this Bond Trust Deed, the Conditions or the Finance Documents, such exercise will be subject to the provisions of the STID. In the event of any inconsistency between this Bond Trust Deed and the STID, the terms of the STID shall prevail.
- 1.4 All references in this Bond Trust Deed to a matter being specified or identified in the relevant Final Terms shall be read and construed as a reference to such matter being specified in the relevant Final Terms or in a Drawdown Prospectus, as the case may be.
- 1.5 All references in this Bond Trust Deed to a matter being specified or identified in a Drawdown Prospectus shall be read and construed as a reference to such matter being specified or identified in the applicable Final Terms or a Drawdown Prospectus, as the case may be.
- 1.6 In the event of any inconsistency between the Conditions and the relevant Final Terms or Drawdown Prospectus, as the case may be, the relevant Final Terms or Drawdown Prospectus shall prevail.

2. **AMOUNT AND ISSUE OF THE BONDS**

- 2.1 Amount of the Bonds, Final Terms and Legal Opinions

The Bonds will be issued in Tranches in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit. The Bonds will be issued in Tranches within a Sub-Class with each Sub-Class (other than in respect of the Subordinated Bonds) belonging to one of four Classes, namely, Class A Wrapped Bonds, Class A Unwrapped Bonds, Class B Wrapped Bonds or Class B Unwrapped Bonds. The Issuer may, but only in accordance with Condition 20 (*Subordinated Bonds*) and this Bond Trust Deed, issue Subordinated Bonds.

By not later than 2.00 p.m. (London time) on the third London Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Bond Trustee and, if applicable, the relevant Financial Guarantor a copy of the applicable Final Terms and drafts of all legal opinions to be given in relation to the relevant issue and shall notify the Bond Trustee and, if applicable, the relevant Financial Guarantor in writing without delay of the relevant Issue Date, the nominal amount of the Bonds to be issued and whether any of such Bonds are fungible with an existing Tranche within a Sub-Class or not. Upon the issue of the relevant Bonds, such Bonds shall become duly constituted by this Bond Trust Deed without further formality. The Bond Trustee is not required in any case to approve the applicable Final Terms.

Before the first issue of Bonds occurring after each anniversary of this Bond Trust Deed and on such other occasions as the Bond Trustee, acting reasonably, so requests (on the basis that the Bond Trustee considers it necessary in view of a change in English law or the law of Jersey affecting the Issuer, this Bond Trust Deed, the Dealership Agreement, the Agency Agreement or the Bond Trustee has other reasonable grounds), the Issuer will procure that further legal opinion(s) (relating, if applicable, to any such change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Dealership Agreement or such other legal advisers as the Bond Trustee may reasonably require is/are delivered to the Bond Trustee. Whenever such a request is made with respect to any Bonds to be issued, the receipt of such opinion in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Bonds.

2.2 Covenant to repay principal and to pay interest

The Issuer covenants with the Bond Trustee that it will, as and when the Bonds of any Tranche or Sub-Class or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, pay or procure to be paid unconditionally to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding (or such other amount as may be specified in the relevant Final Terms including, in the case of Instalment Bonds, the scheduled instalment of principal) in respect of the Bonds of such Tranche or Sub-Class) becoming due for redemption on that date and (except in the case of Zero Coupon Bonds) shall in the meantime and until redemption in full of the Bonds of such Tranche or Sub-Class (both before and after any judgment or other order of a court of competent jurisdiction) pay or procure to be paid unconditionally to or to the order of the Bond Trustee as aforesaid on the dates provided for in the Conditions (or as specified in the relevant Final Terms) interest (which shall accrue from day to day) on the Principal Amount Outstanding (or such other amount as may be specified in the relevant Final Terms including, in the case of Instalment Bonds, the scheduled instalment of principal) of the

Bonds outstanding of such Sub-Class at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4) *provided that*:

- 2.2.1 every payment of principal or interest or other sum due in respect of the Bonds or any of them made to or to the order of the Principal Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this Clause in relation to the Bonds of such Tranche or Sub-Class except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders, Receiptholders or Couponholders (as the case may be);
- 2.2.2 if any payment in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders, Receiptholders or Couponholders (as the case may be) or, if earlier, the fifth day after notice has been given to the relevant Bondholders, Receiptholders or Couponholders in accordance with the Conditions that the full amount has been received by the Principal Paying Agent, the Registrar or the Bond Trustee except, in the case of payment to the Principal Paying Agent, or, as the case may be, the Registrar, to the extent that there is failure in the subsequent payment to the Bondholders, Receiptholders, or Couponholders (as the case may be) under the Conditions; and
- 2.2.3 in any case where payment of the whole or any part of the Principal Amount Outstanding (or, in the case of Instalment Bonds, an instalment thereof) due in respect of any Bond is improperly withheld or refused upon due presentation (if so provided for in the Conditions) of the relevant Bond or Receipt (as the case may be), interest shall accrue on the whole or such part of such Principal Amount Outstanding (or, in the case of Instalment Bonds, an instalment thereof) from the date of such withholding or refusal until the date either on which the whole or such part of such Principal Amount Outstanding (or, in the case of Instalment Bonds, an instalment thereof) due is paid to the relevant Bondholders or Receiptholders (as the case may be) or, if earlier, the fifth day after which notice is given to the relevant Bondholders in accordance with Condition 17 (*Notices*) that the full amount payable in respect of the said Principal Amount Outstanding (or, in the case of Instalment Bonds, an instalment thereof) is available for collection by the relevant Bondholders or Receiptholders (as the case may be) provided that, on further due presentation of the relevant Bond or Receipt (as the case may be) (if so provided for in the Conditions), such payment is in fact made.

The Bond Trustee will hold the benefit of this covenant and the covenants in Clause 5 (*Covenants*) on trust for the Bondholders, the Receiptholders and the Couponholders and itself in accordance with this Bond Trust Deed.

2.3 Bond Trustee's requirements regarding Paying Agents etc

At any time after a Bond Event of Default shall have occurred and is continuing or the Bonds of all or any Sub-Class shall otherwise have become due and repayable or the Bond Trustee

shall have received any money which it proposes to pay under Clause 8 (*Application of Moneys*) to the relevant Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:

2.3.1 by notice in writing to the Issuer, the Bond Guarantor, each Financial Guarantor, the Borrower Security Trustee, the Principal Paying Agent, the Registrar, the Transfer Agents and the other Paying Agents require the Principal Paying Agent and the other Agents or any of them:

(a) to act thereafter as Agents of the Bond Trustee in relation to payments to be made by or on behalf of the Bond Trustee under the terms of this Bond Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of this Bond Trust Deed relating to the Bonds of the relevant Sub-Class and available for such purpose) and thereafter to hold all Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Bonds, Receipts and Coupons on behalf of the Bond Trustee; or

(b) to deliver up all Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and

2.3.2 by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the Principal Paying Agent and with effect from the issue of any such notice and until such notice is withdrawn Clause 2.2.1 shall cease to have effect.

2.4 Following a Bond Event of Default, the rate and/or amount of interest payable in respect of the Bonds will be calculated by the Agent Bank at the same intervals as if there had been no Bond Event of Default, the first of which will commence on the expiry of the Interest Period during which the Bond Event of Default occurred *mutatis mutandis* in accordance with the provisions of Condition 6 (*Interest and other Calculations*) except that the rates of interest need not be published.

2.5 Currency of payments

All payments in respect of, under and in connection with this Bond Trust Deed and the Bonds of any Series to the relevant Bondholders, Receiptholders and Couponholders shall be made in the relevant currency specified in the applicable Final Terms.

2.6 Further Bonds

The Issuer shall be at liberty from time to time (but subject always to the provisions of this Bond Trust Deed) without the consent of the Bondholders, Receiptholders or Couponholders to

create and issue further Bonds (subject to the provisions of the Common Terms Agreement) (whether in bearer or registered form) having terms and conditions the same as the Bonds of any Tranche within a Sub-Class (or the same in all respects save for the Issue Date, Interest Commencement Date and Issue Price) and so that the same shall be consolidated and form a single Sub-Class with the outstanding Bonds of a particular Sub-Class, *provided that*, if such further Bonds to be created and issued are to be consolidated and form a single Sub-Class with the outstanding Bonds of a Sub-Class of Wrapped Bonds, the Issuer will require the prior approval of the Relevant Financial Guarantor.

2.7 Separate series

The Bonds of each Sub-Class shall form a separate series of Bonds and accordingly, unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause 2 and of the Fourth Schedule shall apply *mutatis mutandis* separately and independently to the Bonds of each Sub-Class and in this Clause and such Schedule the expressions “**Bonds**”, “**Bondholders**”, “**Receipts**”, “**Receiptholders**”, “**Coupons**”, “**Couponholders**”, “**Talons**” and “**Talontholders**” shall be construed accordingly.

3. FORMS OF THE BONDS

3.1 Bearer Global Bonds

3.1.1 Bearer Bonds may only be issued, offered and sold as Regulation S Bonds. No Series of Bonds offered and sold in reliance on Rule 144A may include Bearer Bonds. The Bearer Bonds of each Tranche will initially be represented by a single Temporary Global Bond or a Permanent Global Bond as indicated in the applicable Final Terms. Interests in each Temporary Global Bond shall be exchangeable (save as may be specified in the applicable Final Terms), upon a request as described therein, for either Definitive Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Bonds) Coupons and, where applicable, Talons attached, or interests in a Permanent Global Bond in each case in accordance with the provisions of such Temporary Global Bond. Each Permanent Global Bond shall be exchangeable for Definitive Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Bonds) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Bond. All Global Bonds shall be prepared, completed and delivered to a common depository for Euroclear and/or Clearstream, Luxembourg in accordance with the provisions of the Dealership Agreement or to another appropriate depository in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

3.1.2 Each Temporary Global Bond shall be printed or typed in the form or substantially in the form set out in Part 1 (*Form of Temporary Global Bond*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) from time to time and may be a facsimile. Each Temporary Global Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the

Issuer on behalf of the Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent or any other agent appointed by the Issuer for such purpose pursuant to an additional or supplemental Agency Agreement. Each Temporary Global Bond so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.

- 3.1.3 Each Permanent Global Bond shall be printed or typed in the form or substantially in the form set out in Part 2 (*Form of Permanent Global Bond*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) from time to time and may be a facsimile. Each Permanent Global Bond shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent or any other agent appointed by the Issuer for such purpose pursuant to an additional or supplemental Agency Agreement. Each Permanent Global Bond so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.

3.2 Global Bond Certificates

- 3.2.1 The Registered Bonds of each Sub-Class will initially be represented by (a) a Regulation S Global Bond Certificate (in the case of Regulation S Bonds) and/or (b) a Rule 144A Global Bond Certificate (in the case of Rule 144A Bonds). Regulation S Global Bond Certificates and Rule 144A EC Global Bond Certificates shall be deposited with a common depository for, and registered in the name of a nominee of such common depository for, Euroclear and Clearstream, Luxembourg. Rule 144A DTC Global Bond Certificates shall be deposited with the DTC Custodian and registered in the name of Cede & Co. as nominee of DTC.
- 3.2.2 Each Global Bond Certificate, and each interest represented by a Global Bond Certificate, shall be exchangeable and transferable only in accordance with, and subject to, Clause 3.3 (*Restrictions on Transfer*) the provisions of such Global Bond Certificate, the Agency Agreement and the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg (as the case may be). Interests in a Global Bond Certificate shall be exchangeable, in accordance with and to the extent permitted by the terms of such Global Bond Certificate, for Individual Bond Certificates.
- 3.2.3 Each Global Bond Certificate shall be printed or typed in the form or substantially in the form set out (in the case of Regulation S Global Bond Certificates) in Part 1 (*Form of Regulation S Global Bond Certificate*) of Schedule 5, (in the case of Rule 144A DTC Global Bond Certificates) in Part 2 (*Form of Rule 144A DTC Global Bond Certificate*) of Schedule 5 and (in the case of Rule 144A EC Global Bond Certificates) in Part 3 (*Form of Rule 144A EC Global Bond Certificate*) of Schedule 5 with such modifications (if any) as may be agreed between the Issuer, the Registrar, the Bond Trustee and the relevant Dealer(s) from time to time and may be a facsimile.

Each Global Bond Certificate shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated manually by or on behalf of the Registrar or any other agent appointed by the Issuer for such purpose pursuant to an additional or supplemental Agency Agreement. Each Global Bond Certificate so executed and authenticated shall be a binding and valid obligation of the Issuer.

3.3 Restrictions on Transfer

- 3.3.1 Rule 144A Bonds (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only (a) to the Issuer; (b) within the United States, or to or for the account of a U.S. person (as defined in Regulation S) or a U.S. resident (as determined for purposes of the Investment Company Act), if to a QP who the seller reasonably believes is a QIB purchasing for its own account or for the account of one of more QIBs each of which is also a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A; or (c) outside the United States, to a person who is neither a U.S. person nor a U.S. resident in an offshore transaction (and not to or for the account or benefit of a U.S. person or a U.S. resident) complying with Rule 903 or Rule 904 of Regulation S; and in each case, in accordance with all applicable securities laws including the securities laws of any state of the United States.
- 3.3.2 Regulation S Bonds (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only (a) within the United States, or to or for the account of a U.S. person (as defined in Regulation S) or a U.S. resident (as determined for purposes of the Investment Company Act), if to a QP who the seller reasonably believes is a QIB purchasing for its own account or for the account of one of more QIBs each of which is also a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A; or (b) outside the United States, to a person who is neither a U.S. person nor a U.S. resident in an offshore transaction (and not to or for the account or benefit of a U.S. person or a U.S. resident) complying with Rule 903 or Rule 904 of Regulation S; and in each case, in accordance with all applicable securities laws including the securities laws of any state of the United States; provided, that no Bearer Bonds (being Bonds in the form of a Temporary Global Bond, a Permanent Global Bond or a Definitive Bond) (and no Receipt, Coupon or Talon appertaining to any such Bonds), or any interests therein, may be transferred to or for the benefit of a U.S. person (as defined in Regulation S) or a U.S. resident (as determined for purposes of the Investment Company Act).
- 3.3.3 Any purported resale or other transfer of a Bond (or beneficial interest therein) in violation of the transfer restrictions applicable to such Bond (including the provisions of Clauses 3.3.1 and 3.3.2 above) will be null and void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Bond Trustee or any intermediary.

3.3.4 In the event of a transfer of a Rule 144A Bond (or beneficial interest therein) to a U.S. person (within the meaning of Regulation S) or a U.S. resident (as determined for purposes of the Investment Company Act) that is not both a QIB and a QP, the Issuer may, in its discretion, either (a) compel such transferee to sell such Rule 144A Bond or its interest therein to a person who either (i) is a U.S. person who is both a QIB and a QP that is otherwise qualified to purchase such Rule 144A Bond or interest therein in a transaction exempt from registration under the Securities Act or (ii) is neither a U.S. person (within the meaning of Regulation S) nor a U.S. resident (as determined for purposes of the Investment Company Act) in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, or (b) on behalf of such transferee (and such transferee by its accepting delivery of such Rule 144A Bond or a beneficial interest therein irrevocably grants to the Issuer and the Issuer's agents full power and authority to, on behalf of such transferee), sell such Rule 144A Bond or such transferee's interest therein to a person designated by or acceptable to the Issuer at a price equal to the lesser of (1) the purchase price therefor paid by the original transferee, (2) 100% of the principal amount thereof or (3) the fair market value thereof.

3.4 Definitive Bonds and Individual Bond Certificates

3.4.1 The Definitive Bonds, the Receipts, the Coupons and the Talons shall be in bearer form in the respective forms or substantially in the respective forms set out in Parts 3 (*Form of Definitive Bond*), 4 (*Form of Receipt*), 5 (*Form of Coupon*) and 6 (*Form of Talon*) respectively, of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*). The Definitive Bonds, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange or listing authority and the Conditions may be incorporated by reference into such Definitive Bonds unless not permitted by the relevant Stock Exchange, or shall be endorsed with or have attached the Conditions, and the Definitive Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Definitive Bonds, the Receipts, the Coupons and the Talons shall pass by delivery.

3.4.2 The Individual Bond Certificates shall be in registered form and shall be issued in the form or substantially in the form set out (in the case of Regulation S Individual Bond Certificates) in Part 4 (*Form of Regulation S Individual Bond Certificate*) of Schedule 5 and (in the case of Rule 144A Individual Bond Certificates) in Part 5 (*Form of Rule 144A Individual Bond Certificate*) of Schedule 5 and shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Individual Bond Certificates shall pass upon the registration of transfers in the register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and this Bond Trust Deed.

3.4.3 Definitive Bonds and Individual Bond Certificates shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent (in the case of

the Definitive Bonds) or the Registrar (in the case of Individual Bond Certificates) or, in each case, any other agent appointed by the Issuer for such purpose pursuant to an additional or supplemental Agency Agreement. The Definitive Bonds and the Individual Bond Certificates so executed and authenticated, and the Receipts, the Coupons and Talons appertaining to such Definitive Bonds, upon execution and authentication of such Definitive Bonds, shall be binding and valid obligations of the Issuer. The Receipts, the Coupons and the Talons shall not be signed. No Definitive Bond and none of the Receipts, Coupons or Talons appertaining to such Definitive Bond shall be binding or valid until such Definitive Bond shall have been executed and authenticated as aforesaid. Bearer Bonds may be exchanged for Registered Bonds in accordance with the provisions of Condition 2(a) (*Exchange of Bonds*), but Registered Bonds may not be exchanged for Bearer Bonds.

3.5 Facsimile signatures:

The Issuer may use the facsimile signature of any person who, at the date such signature is affixed to a Bond, is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Bonds he may have ceased for any reason to be the holder of such office or so authorised.

3.6 Certificates of DTC, Euroclear and Clearstream, Luxembourg:

The Issuer and the Bond Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of DTC, Euroclear or Clearstream, Luxembourg or any form of record made by any of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Bonds represented by a Global Bond or Global Bond Certificate and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

4. **REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties

The representations and warranties set out in Schedule 1 (*Representations and Warranties*) are made by the Issuer to the Bond Trustee.

4.2 Times for making representations and warranties

4.2.1 The representations and warranties set out in Schedule 1 (*Representations and Warranties*) are made by the Issuer on the date of this Bond Trust Deed and the Initial Issue Date.

4.2.2 The representations and warranties set out in Schedule 1 (*Representations and Warranties*) are deemed to be repeated by the Issuer on each Issue Date.

4.2.3 When a representation and warranty is repeated, it is applied to the facts and circumstances existing at the time of repetition, provided always that in respect of any Issue Date, the representations contained in paragraphs 12, 13, 14, 21, 22, 23, 26, 27, 28, 30 and 31 of Schedule 1 (*Representations and Warranties*) shall be limited and refer only to the Tranche or Tranches of Bonds to be issued on such Issue Date and, to the extent that the representations contained in paragraphs 3, 9, 10, 26 and 27 of that schedule relate to the Prospectus, such representations shall be limited to the Prospectus prepared in respect of such Tranche or Tranches of Bonds.

5. COVENANTS

5.1 The Issuer hereby covenants with the Bond Trustee that it will comply with the covenants set out in each part of Schedule 2 (*Issuer Covenants*) (the “**Issuer Covenants**”).

5.2 The Issuer covenants with the Bond Trustee that it will comply with and perform and observe all the provisions of this Bond Trust Deed and the other Finance Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Bondholders, the Receiptholders, the Couponholders and the other Issuer Secured Creditors. Subject to the STID, the Bond Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds, the Receipts and the Coupons as if the same were set out and contained in this Bond Trust Deed, which shall be read and construed as one document with the Bonds, the Receipts and the Coupons. The Bond Trustee shall hold the benefit of this covenant, the agreement of each Financial Guarantor in the relevant Financial Guarantee to pay the Guaranteed Amounts and the agreement of the Bond Guarantor in the Bond Guarantee to pay all sums due and payable but unpaid by the Issuer in respect of payments of scheduled interest and ultimate payments of principal on the BAA Guaranteed Bonds upon trust for itself and the Bondholders, the Receiptholders, the Couponholders and (in the case of the Issuer's covenant under this Clause 5.2 only) the other Issuer Secured Creditors, according to its and their respective interests.

5.3 Notwithstanding anything contained in the STID, the Bond Trustee shall be entitled to enforce the obligations of any Financial Guarantor, under, or in respect of the relevant Financial Guarantee. The rights in respect of the Bonds and each Financial Guarantee shall be held on trust by the Bond Trustee subject to the provisions of this Bond Trust Deed.

6. CANCELLATION OF BONDS AND RECORDS

6.1 The Issuer shall procure that all Bonds issued by it which are purchased by or on behalf of the Issuer or by an Obligor using the proceeds of a Designated Airport Disposal pursuant to paragraph 6(b)(ii) of part 3 (*General Covenants*) of schedule 2 (*Covenants*) to the Common Terms Agreement are surrendered to the Principal Paying Agent or the Registrar for cancellation.

6.2 The Issuer shall use its reasonable endeavours to procure (i) that the Principal Paying Agent shall keep a full and complete record of all Bonds of each Sub-Class, Receipts, Coupons and Talons issued by it (other than serial numbers of Receipts and Coupons) and of their redemption or purchase by or on behalf of the Issuer or by an Obligor, any cancellation or any payment (as the case may be) and of all replacement bonds, receipts, coupons or talons issued

in substitution for lost, stolen, mutilated, defaced or destroyed Bonds of each Sub-Class, Receipts, Coupons or Talons, (ii) that the Principal Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of 10 years from the Relevant Date in respect of such Coupons (and in the case of Talons indefinitely) either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (iii) that such records and Coupons (if any) shall be made available to the Bond Trustee at all reasonable times.

7. ENFORCEMENT

7.1 Legal proceedings

The circumstances in which the Bond Trustee may or shall deliver a Bond Enforcement Notice and the conditions applicable to delivery of a Bond Enforcement Notice are set out in Condition 11(b) (*Delivery of Bond Enforcement Notice*). Notwithstanding the provisions of any other Issuer Transaction Document, the Issuer Security shall only become enforceable upon the delivery of a Bond Enforcement Notice in accordance with clause 13 (*Security Enforceable*) of the Issuer Deed of Charge and the OFCA Floating Security shall only become enforceable in accordance with clause 10.1 (*Security Enforceable*) of the Obligor Floating Charge Agreement. Only the Bond Trustee may enforce the provisions of the Bonds or this Bond Trust Deed and no Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditor shall be entitled to proceed directly against the Issuer unless the Bond Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

7.2 Evidence of default

If the Bond Trustee (or any Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditor where entitled under this Bond Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding up or insolvency of the Issuer under this Bond Trust Deed or under the Bonds, proof therein that:

7.2.1 as regards any specified Bond the Issuer has made default in paying any principal due in respect of such Bond shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Bonds in respect of which a corresponding payment is then due; and

7.2.2 as regards any specified Coupon the Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Coupons in respect of which a corresponding payment is then due; and

7.2.3 as regards any Talon, the Issuer has made default in exchanging such Talon for further Coupons and a further Talon as provided by its terms shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Talons which are then available for exchange,

and for the purposes of 7.2.1 and 7.2.2 a payment shall be a “corresponding” payment notwithstanding that it is due in respect of a Bond of a different denomination from that in respect of the above specified Bond.

8. APPLICATION OF MONEYS

All moneys received by the Bond Trustee under this Bond Trust Deed from the Issuer or, as the case may be, from the Bond Guarantor or a Financial Guarantor shall be applied by the Bond Trustee in accordance with the Issuer Payment Priorities set out in schedule 1 (*Issuer Pre-Enforcement Priority of Payments*) of the Issuer Cash Management Agreement or clause 15 (*Issuer Post-Enforcement Priority of Payments*) of the Issuer Deed of Charge, as appropriate, and, without prejudice to the provisions of this Clause, if the Bond Trustee holds any moneys which represent principal or interest in respect of Bonds, Coupons or Receipts which have become void under the Conditions, the Bond Trustee shall hold such moneys on the above trusts.

9. NOTICE OF PAYMENTS

The Bond Trustee shall give notice to the relevant Bondholders in accordance with Condition 17 (*Notices*) of the day fixed for any payment to them under Clause 8 (*Application of Moneys*). Such payment may be made in accordance with Condition 9 (*Payments*) and any payment so made shall be a good discharge, to the extent of such payment, by the Issuer, the Bond Guarantor, a Financial Guarantor or the Bond Trustee, as the case may be.

10. INVESTMENT BY BOND TRUSTEE

10.1 If the amount of the moneys at any time available for the payment of principal and interest in respect of the Bonds (other than any amounts received by the Bond Trustee under any Financial Guarantee) under Clause 8 (*Application of Moneys*) shall be less than 10 per cent. of the Principal Amount Outstanding of the Bonds then outstanding, the Bond Trustee may, at its discretion, invest such moneys in some or one of the investments authorised below. The Bond Trustee at its discretion may vary such investments and may accumulate such investments and the resulting income until the accumulations, together with any other funds for the time being under the control of the Bond Trustee and available for such purpose, amount to at least 10 per cent. of the Principal Amount Outstanding of the Bonds then outstanding and then such accumulations and funds (after deduction of any taxes and any other deductibles applicable thereto) shall be applied under Clause 8 (*Application of Moneys*).

10.2 Any moneys which under the trusts of this Bond Trust Deed ought to or may be invested by the Bond Trustee may be invested in the name or under the control of the Bond Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Bond Trustee at such bank or other financial institution and in such currency as the Bond Trustee may think fit. If that bank or institution is the Bond Trustee or a Subsidiary, holding or associated company of the Bond Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary or transfer any of such investments for or into other investments or convert any moneys so deposited into any other currency and shall

not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

11. **PARTIAL PAYMENTS**

Upon any payment under Clause 8 (*Application of Moneys*) (other than payment in full against surrender of a Bond, Receipt or Coupon) the Bond, Receipt or Coupon in respect of which such payment is made shall be produced to the Bond Trustee, the Paying Agent or the Registrar by or through whom such payment is made and the Bond Trustee shall or shall cause the Paying Agent or, as the case may be, the Registrar to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may in any particular case or generally in relation to Registered Bonds dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

12. **THE BOND TRUSTEE, THE FINANCIAL GUARANTORS AND THE STID**

12.1 Extent of Bond Trustee's obligations

The Bond Trustee shall not be obliged to comply with any direction or request of any Financial Guarantor to do any act or thing which would or may, in the opinion of the Bond Trustee, be illegal, contrary to any requirement or request of any fiscal or monetary or other governmental authority or in breach of any contract, treaty, agreement, Transaction Documents or Issuer Transaction Documents the terms of which bind the Bond Trustee but shall notify such Financial Guarantor promptly if it does not intend to comply with any such direction or request, stating the reasons therefor.

12.2 Indemnity

Each of the Relevant Financial Guarantors undertakes to the Bond Trustee that it will indemnify *pro rata* to the Principal Amount Outstanding of the Class A Wrapped Bonds or, as the case may be, the Class B Wrapped Bonds guaranteed by such Relevant Financial Guarantor(s), and hold harmless the Bond Trustee, against all Liabilities that arise out of, or in relation to, or in connection with, compliance by the Bond Trustee with any direction which any such Financial Guarantor may give to the Bond Trustee pursuant to the STID, the Issuer Deed of Charge, this Bond Trust Deed, the Bonds, any Financial Guarantee or any other Issuer Transaction Document. Such indemnity shall continue in full force and effect whether or not the Bond Trustee is trustee of this Bond Trust Deed or such Financial Guarantor is a guarantor hereunder and under the relevant Financial Guarantee.

12.3 Protection of Bond Trustee

The Bond Trustee shall be entitled to assume that any instruction, consent or certificate received by it from the Borrower Security Trustee, the Issuer or any Financial Guarantor, which purports to have been given pursuant to the STID, has been given in accordance with its terms. The Bond Trustee shall be entitled to assume that any such instructions or certificates are authentic and have been properly given in accordance with the terms of the STID. If the Borrower Security Trustee, the Issuer or any Financial Guarantor, in issuing or giving any such instruction, consent or certificate breaches any rights or restrictions set out in this Bond Trust Deed, the STID or any other Transaction Document or Issuer Transaction Document, this shall

not invalidate such instruction, consent or certificate unless the Borrower Security Trustee, the Issuer or such Financial Guarantor informs the Bond Trustee before the Bond Trustee commences to act on such instruction, consent or certificate that such instruction, consent or certificate is invalid and should not be acted on. If the Bond Trustee is so informed after it has commenced to act on such instruction, consent or certificate, the validity of any action taken shall not be affected but the Bond Trustee shall take no further action in accordance with such instruction, consent or certificate, except to the extent that it has become legally obliged to do so.

13. **THE BOND GUARANTOR AND THE BOND GUARANTEE**

13.1 Notices of Demand

The Bond Trustee shall, promptly following receipt of a notice delivered by the Issuer Cash Manager in accordance with clause 13.1 of the Issuer Cash Management Agreement, deliver a notice of demand (a “**BAA Bond Notice of Demand**”) to the Bond Guarantor in accordance with the BAA Bond Guarantee with a copy to the Issuer, the Principal Paying Agent and, in the case of Registered Bonds, the Registrar, requiring the Bond Guarantor to pay the BAA Guaranteed Amounts in accordance with the terms of the Bond Guarantee.

13.2 Payments under the BAA Bond Guarantee

The Bond Guarantor shall forthwith upon, and in any event, within two Business Days of, receipt of the BAA Bond Notice of Demand, unconditionally pay or procure to be paid the BAA Guaranteed Amounts to or to the order of the Bond Trustee.

13.3 Notice of Bond Guarantor's transfer instructions

At least one Business Day before the date on which the Bond Guarantor is obliged to make a payment under the BAA Bond Guarantee, the Bond Guarantor shall notify the Bond Trustee, the Issuer Cash Manager, the Principal Paying Agent, in the case of Bearer Bonds, and the Registrar, in the case of Registered Bonds, of its irrevocable instructions to its bank to transfer such amount in accordance with the relevant BAA Bond Notice of Demand.

13.4 The Issuer not discharged

The Issuer shall not be discharged from its obligations under the Bonds and this Bond Trust Deed by any payment under the BAA Bond Guarantee; provided that this Clause 13.4 shall operate only for the purpose of the subrogation rights of the Bond Guarantor as contemplated by Clause 13.6 (*Subrogation*).

13.5 Return of the BAA Bond Guarantee

The Bond Trustee will return the BAA Bond Guarantee to the Bond Guarantor for cancellation upon:

- 13.5.1 the redemption in full of the relevant BAA Guaranteed Bonds by the Issuer, the payment in full of accrued interest thereon and the expiry of any applicable preference period during which the amount of any payments in respect of such BAA Guaranteed Bonds which are subsequently avoided in whole or in part as a preferential transaction

under applicable law may be required to be paid by the Bond Guarantor under the BAA Bond Guarantee or otherwise upon the termination of the BAA Bond Guarantee in accordance with its terms; or

13.5.2 the payment in full of all amounts which are or may become due under the BAA Bond Guarantee.

13.6 Subrogation

Without prejudice to its other rights and remedies but subject to Clause 7.1 (*Legal proceedings*), the Bond Guarantor shall be subrogated to any rights of the holders of the BAA Guaranteed Bonds against the Issuer in respect of amounts due in respect of the BAA Guaranteed Bonds which have been paid by or on behalf of the Bond Guarantor under the BAA Bond Guarantee *provided that* the Bond Guarantor shall not commence any legal proceeding against the Issuer for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.

14. THE FINANCIAL GUARANTOR(S) AND THE FINANCIAL GUARANTEE

14.1 Notices of Demand

14.1.1 The Issuer shall procure that the Bond Trustee, the Issuer, the Relevant Financial Guarantor(s) and the Principal Paying Agent and, in the case of Registered Bonds only, the Registrar, are notified by the Issuer Cash Manager in writing no later than close of business:

- (a) on the sixth Business Day before each Interest Payment Date whether or not there is a Liquidity Shortfall in respect of each Sub-Class of Wrapped Bonds; and
- (b) if there is a Liquidity Shortfall, on the sixth Business Day before each Interest Payment Date whether or not there is a Shortfall in respect of each Sub-Class of Wrapped Bonds,

in addition to the amount of the Liquidity Shortfall or Shortfall (as applicable).

14.1.2 If the Bond Trustee has been notified by the Issuer Cash Manager, in accordance with Clause 14.1.1, that there is a Shortfall, the Bond Trustee shall deliver a Notice of Demand to the Relevant Financial Guarantor(s) no later than 3.00 p.m. (London time) on the first Business Day following the relevant Issuer Determination Date in accordance with the relevant Financial Guarantee with a copy to the Issuer, the Issuer Cash Manager, the Principal Paying Agent and, in the case of Registered Bonds, the Registrar, requiring such Financial Guarantor(s) to pay the Guaranteed Amounts in accordance with the terms of the relevant Financial Guarantee and the Bond Trustee shall use all reasonable endeavours to ensure that any such Notice of Demand is delivered to the Relevant Financial Guarantor(s) in order that such payment shall be made on the relevant Interest Payment Date.

14.2 Payments under the Bonds at the Financial Guarantor's option

Any election by any Financial Guarantor to pay any amount of principal or interest in respect of any Class A Wrapped Bonds or, as the case may be, any Class B Wrapped Bonds, which has become immediately due and payable (whether by virtue of acceleration, prepayment or otherwise) pursuant to the terms of this Bond Trust Deed other than on the relevant Interest Payment Date shall be made by notice in writing to the Bond Trustee, with a copy to the Issuer, the Principal Paying Agent and, in the case of Registered Bonds, the Registrar, specifying the date on which such amount will be paid by such Financial Guarantor.

14.3 Payments under the Financial Guarantee to go to Principal Paying Agent or Registrar

The Bond Trustee hereby directs the Financial Guarantor(s) to pay all sums payable under any relevant Financial Guarantee to the Principal Paying Agent for Bearer Bonds and the Registrar for Registered Bonds; provided that at any time after the occurrence of a Bond Event of Default or in the event that the Bond Trustee considers that it would be inappropriate for such sums to be paid to the Principal Paying Agent for Bearer Bonds and the Registrar for Registered Bonds, the Bond Trustee may require such Financial Guarantor to make payments to the Bond Trustee or as it may otherwise direct.

14.4 Notice of Financial Guarantor's transfer instructions

At least two Business Days before the date on which any Financial Guarantor is obliged to make a payment under the relevant Financial Guarantee or elects to make a payment as described above at Clause 14.2 (*Payments under the Bonds at the Financial Guarantor's option*), such Financial Guarantor shall notify the Bond Trustee, the Issuer Cash Manager, the Principal Paying Agent, in the case of Bearer Bonds, and the Registrar, in the case of Registered Bonds, of its irrevocable instructions to its bank to transfer such amount in accordance with the relevant Notice of Demand.

14.5 The Issuer not discharged

The Issuer shall not be discharged from its obligations under the Bonds and this Bond Trust Deed by any payment under any Financial Guarantee; provided that this Clause 14.5 shall operate only for the purpose of the subrogation rights of the Financial Guarantor(s) as contemplated by Clause 14.7 (*Subrogation*).

14.6 Return of Financial Guarantee

The Bond Trustee will return any Financial Guarantee to the relevant Financial Guarantor for cancellation upon:

- 14.6.1 the redemption in full of the relevant Class A Wrapped Bonds or, as the case may be, Class B Wrapped Bonds by the Issuer, the payment in full of accrued interest thereon and the expiry of any applicable preference period during which the amount of any payments in respect of such Class A Wrapped Bonds or, as the case may be, Class B Wrapped Bonds which are subsequently avoided in whole or in part as a preferential transaction under applicable law may be required to be paid by the Relevant Financial Guarantor under the relevant Financial Guarantee or otherwise upon the termination of such Financial Guarantee in accordance with its terms; or

- 14.6.2 the payment in full of all amounts which are or may become due under such relevant Financial Guarantee.
- 14.7 Subrogation
- Without prejudice to its other rights and remedies but subject to Clause 7.1 (*Legal proceedings*), any Financial Guarantor shall be subrogated to any rights of the holders of the Class A Wrapped Bonds or, as the case may be, the Class B Wrapped Bonds, against the Issuer in respect of amounts due in respect of the Class A Wrapped Bonds or, as the case may be, the Class B Wrapped Bonds which have been paid by or on behalf of the Relevant Financial Guarantor under the relevant Financial Guarantee *provided that* no Financial Guarantor shall commence any legal proceeding against the Issuer for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.
- 14.8 Appointment of Fiscal Agent by a Financial Guarantor
- 14.8.1 Each Financial Guarantor shall agree in the relevant Financial Guarantee to notify the Bond Trustee of its appointment of a fiscal agent or any equivalent agent pursuant to the terms of the relevant Financial Guarantee.
- 14.8.2 From and after the date of receipt of any notice referred to in Clause 14.8.1, the Bond Trustee agrees to deliver a copy of any Notice of Demand delivered to the Financial Guarantor under Clause 14.1 (*Notices of Demand*) to such fiscal agent.
15. **REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE**
- 15.1 The Issuer shall pay to the Bond Trustee, by way of remuneration for its services as trustee of this Bond Trust Deed and under the other Issuer Transaction Documents, such amount and on such date(s) as shall be agreed from time to time by exchange of letters between the Issuer and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Bondholders, Receiptholders and Couponholders) up to and including the date when, all the Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Bond Trustee *provided that* if upon due presentation of any Bond, Receipt or Coupon or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Bondholder, Receiptholder or Couponholder is duly made.
- 15.2 In the event of the occurrence of a Bond Event of Default or the Bond Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Bond Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this Bond Trust Deed or any other Issuer Transaction Document the Issuer shall pay to the Bond Trustee such additional remuneration as shall be agreed between them.
- 15.3 In the event of the Bond Trustee and the Issuer failing to agree:

- 15.3.1 (in a case to which sub-clause 15.1 above applies) upon the amount of the remuneration; or
- 15.3.2 (in a case to which sub-clause 15.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this Bond Trust Deed or any other Issuer Transaction Document, or upon such additional remuneration,
- such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Issuer) and the determination of any such merchant or investment bank shall be final and binding upon the Bond Trustee and the Issuer.
- 15.4 The Issuer shall also pay or discharge all Liabilities properly incurred by the Bond Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Bond Trust Deed or any other Issuer Transaction Document, including but not limited to reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustee in connection with any action taken by or on behalf of the Bond Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Bond Trust Deed or any other Issuer Transaction Document.
- 15.5 All amounts due and payable pursuant to Sub-Clause 15.4 above and/or Sub-Clause 15.11 below shall be payable by the Issuer on the date specified in a demand by the Bond Trustee; the rate of interest applicable to such payments shall be the Default Rate and interest shall accrue:
- 15.5.1 in the case of a demand relating to payments made by the Bond Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand; and
- 15.5.2 in the case of payments made by the Bond Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.
- 15.6 All remuneration payable to the Bond Trustee shall carry interest at the Default Rate from the due date thereof.
- 15.7 Unless otherwise specifically stated in any discharge of this Bond Trust Deed the provisions of this Clause 15 shall continue in full force and effect in relation to the period during which the Bond Trustee was trustee of this Bond Trust Deed notwithstanding such discharge.
- 15.8 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Sub-Classes of Bonds any Liabilities incurred under this Bond Trust Deed have been incurred or to allocate any such Liabilities between the Bonds of any Sub-Classes.

15.9 Stamp duties

The Issuer will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (a) the constitution and issue of the Bonds, (b) the initial delivery of the Bonds, (c) any action taken by the Bond Trustee (or any Bondholder, Receiptholder or Couponholder where permitted or required under this Bond Trust Deed or any other Issuer Transaction Document so to do) to enforce the provisions of the Bonds or this Bond Trust Deed or any other Issuer Transaction Document and (d) the execution of this Bond Trust Deed and the other Issuer Transaction Documents. If the Bond Trustee (or any Bondholder, Receiptholder, or Couponholder where permitted under this Bond Trust Deed or the other Issuer Transaction Documents so to do) shall take any proceedings against the Issuer in any other jurisdiction and if for the purpose of any such proceedings this Bond Trust Deed, any other Issuer Transaction Document or any Bonds is taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer will pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

15.10 Exchange rate indemnity

15.10.1 the contractual currency is the sole currency of account and payment for all sums payable by the Issuer, the Bond Guarantor and the Financial Guarantors under or in connection with this Bond Trust Deed, the Bonds, the Receipts and the Coupons including damages (the “**Contractual Currency**”);

15.10.2 an amount received or recovered in a currency other than the Contractual Currency (whether as a result of a judgment or order of a court of any jurisdiction, or the enforcement thereof, or the winding up or dissolution of the Issuer, the Bond Guarantor or the relevant Financial Guarantor, as the case may be) by the Bond Trustee or any Bondholder, Receiptholder or Couponholder in respect of any sum expressed to be due to such recipient from the Issuer and/or the Bond Guarantor and/or a Financial Guarantor will only discharge the Issuer and/or the Bond Guarantor and/or such Financial Guarantor to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and

15.10.3 if that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Bond Trust Deed or the Bonds, the Receipts or the Coupons, the Issuer or, failing whom, the Bond Guarantor or such Financial Guarantor will indemnify such recipient against any Liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

15.11 Without prejudice to the right of indemnity by law given to trustees or any indemnity contained in any other Issuer Transaction Document, the Issuer shall indemnify the Bond Trustee, each Appointee and each Receiver appointed in respect of the Issuer Security and the OFCA Floating Security and keep it or him indemnified against all Liabilities to which it or he

may be or become subject or which may be properly incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions under this Bond Trust Deed and the other Issuer Transaction Documents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Bond Trust Deed and the other Issuer Transaction Documents or any such appointment.

15.12 Indemnities separate

The indemnities in this Bond Trust Deed constitute separate and independent obligations from the other obligations in this Bond Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Bond Trustee and/or any Bondholder, Receiptholder or Couponholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Bond Trust Deed or the Bonds, the Receipts or the Coupons or any other judgment or order. Any such Liability as referred to in sub-clause 15.10.3 shall be deemed to constitute a Liability suffered by the Bond Trustee, the Bondholders, the Receiptholders and the Couponholders and no proof or evidence of any actual Liability shall be required by the Issuer or its liquidator.

16. **VAT**

Clause 28 (VAT) of the Issuer Deed of Charge shall apply to this Bond Trust Deed, where applicable, and shall be binding on the parties to this Bond Trust Deed as if set out in full in this Bond Trust Deed. If a provision of this Bond Trust Deed relating to VAT is inconsistent with the provisions of Clause 28 (VAT) of the Issuer Deed of Charge, the provisions of Clause 28 (VAT) of the Issuer Deed of Charge shall prevail.

17. **SUPPLEMENT TO TRUSTEE ACTS**

17.1 Where there are any inconsistencies between the Trustee Acts and the provisions of this Bond Trust Deed, the provisions of this Bond Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Bond Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

The Bond Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

17.2 The Bond Trustee may in relation to this Bond Trust Deed act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Bond Guarantor, any Financial Guarantor, the Bond Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting.

17.3 Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.

- 17.4 The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by one of the Directors of the Issuer or any Obligor and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- 17.5 The Bond Trustee shall be at liberty to hold this Bond Trust Deed and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- 17.6 The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Issuer, the exchange of any Global Bond for another Global Bond or Definitive Bonds or Global Bond Certificate for another Global Bond Certificate or Individual Bond Certificates or the delivery of any Global Bond, Definitive Bond, Global Bond Certificate or Individual Bond Certificate to the person(s) entitled to it or them.
- 17.7 The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Bond Trust Deed or to take any steps to ascertain whether any Bond Event of Default has occurred and, until it shall have actual knowledge or express notice pursuant to this Bond Trust Deed to the contrary, the Bond Trustee shall be entitled to assume that no Bond Event of Default has occurred and that the Issuer is observing and performing all its obligations under this Bond Trust Deed, the Bonds and the Issuer Transaction Documents.
- 17.8 The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Bonds of all or any Tranches or Sub-Classes in respect whereof minutes have been made and signed or any direction or request of the holders of the Bonds of all or any Tranches or Sub-Classes even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such holders had signed such Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders and the relevant Receiptholders and Couponholders.
- 17.9 The Bond Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.
- 17.10 In the absence of knowledge or express notice to the contrary, the Bond Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or the Bond Guarantor or any Financial Guarantor or their Subsidiaries.

- 17.11 The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- 17.12 The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Issuer or for the exchange of any Temporary Global Bond for a Permanent Global Bond or Definitive Bonds (as the case may be) or the exchange of any Permanent Global Bond for Definitive Bonds, or of a Global Bond Certificate for another Global Bond Certificate or Individual Bond Certificates (as the case may be) or the delivery of any Bond, Coupon, Receipt or Bond Certificate to the person(s) entitled to it or them.
- 17.13 The Bond Trustee may call for and shall be at liberty to accept and place full reliance on, as sufficient evidence thereof, and shall not be liable to the Issuer or any Bondholder, Receiptholder or Couponholder by reason only of either having accepted as valid or not having rejected, an original certificate or letter of confirmation purporting to be signed on behalf of DTC, Euroclear or Clearstream, Luxembourg, or any other relevant clearing system in relation to any matter.
- 17.14 The Bond Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, warranty, representations or covenant of any party contained in this Bond Trust Deed or any other Issuer Transaction Document (other than the representation and warranty given by it in Clause 17.42 of this Bond Trust Deed) or in any other document entered into in connection therewith (and shall assume the accuracy and correctness thereof) and the Bond Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Charged Property or any part thereof or any item comprised therein from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Issuer Charged Property or any part thereof or any such item from time to time whether or not any default or failure is or was known to the Bond Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Each Bondholder and each other Issuer Secured Creditor, shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Bond Trustee shall not at any time have any responsibility for the same and no Bondholder or other Issuer Secured Creditor (as the case may be) shall rely on the Bond Trustee in respect thereof.
- 17.15 The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Bond Trust Deed or any of the other Issuer Transaction Documents or any security thereby constituted or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Bond Trust Deed or any other Issuer Transaction Documents or any other document relating or expressed to be supplemental thereto.
- 17.16 Any consent or approval given by the Bond Trustee for the purposes of this Bond Trust Deed may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks

fit and notwithstanding anything to the contrary in this Bond Trust Deed may be given retrospectively.

- 17.17 The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder, Receiptholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the Bond Guarantor or any other person in connection with this Bond Trust Deed and no Bondholder, Receiptholder or Couponholder shall be entitled to take any action to obtain from the Bond Trustee any such information.
- 17.18 Where it is necessary or desirable for any purpose in connection with this Bond Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Bond Trust Deed or required by law) be converted at the Exchange Rate or in accordance with such other method and as at such date for the determination of such rate of exchange as may be agreed by the Bond Trustee in consultation with the Issuer and the rate so determined shall be binding on the Issuer, the Bond Guarantor, the Financial Guarantors, the Bondholders, the Receiptholders and the Couponholders.
- 17.19 The Bond Trustee as between itself and the Bondholders, the Receiptholders and the Couponholders and the other Issuer Secured Creditors may determine all questions and doubts arising in relation to any of the provisions of this Bond Trust Deed. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Bondholders, the Receiptholders and the Couponholders and the other Issuer Secured Creditors.
- 17.20 Subject to the STID, the Issuer Deed of Charge and Condition 16(b) (*Exercise of rights by Bond Trustee*), in connection with the exercise by it of any of its trusts, powers, authorities or discretions under this Bond Trust Deed, any Financial Guarantee, any Bond Guarantee, the Conditions or any Issuer Transaction Document (including, without limitation, any modification, waiver, consent, authorisation or determination), the Bond Trustee shall have regard to the interests of the holders of the Most Senior Class of Bonds then outstanding provided that, if, in the Bond Trustee's opinion, there is a conflict of interests between the holders of two or more Tranches or Sub-Classes of Bonds of the same Class (or, if there are no Class A or Class B Bonds outstanding, the Subordinated Bonds), it shall have regard to the interests of the holders of the Tranche or Sub-Class of such Class (or the Subordinated Bonds, as the case may be) then outstanding with the greatest Principal Amount Outstanding, and will not have regard to the consequences of such exercise for the holders of other Tranches or Sub-Classes of Bonds or for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Bond Guarantor, the Financial Guarantor, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 (*Taxation*) and/or any undertaking given in addition thereto or in substitution therefor under this Bond Trust Deed.

- 17.21 Except as otherwise provided in the Conditions, the STID and this Bond Trust Deed, when exercising any rights, powers, trusts, authorities and discretions relating to or contained in the Conditions, this Bond Trust Deed or any other Issuer Transaction Document (other than in respect of any Ordinary Voting Matter or Extraordinary Voting Matter relating to the relevant Wrapped Bonds, in respect of which the relevant Financial Guarantor shall be required to vote in accordance with the STID, or any Basic Terms Modification, which shall require the vote of the relevant Bondholders), which affect or relate to any Class A Wrapped Bonds and/or Class B Wrapped Bonds, the Bond Trustee shall only act on the instructions of the Relevant Financial Guarantor(s) (provided no FG Event of Default has occurred and is continuing) in accordance with the provisions of this Bond Trust Deed and the Bond Trustee shall not be required to have regard to the interests of the Bondholders in relation to the exercise of such rights, powers, trusts, authorities and discretions and shall have no liability to any of Bondholders as a consequence of so acting. As a consequence of being required to act only on the instructions of the Relevant Financial Guarantor(s) in the circumstances referred to in the previous sentence, the Bond Trustee shall not (other than in relation to any Basic Terms Modification), notwithstanding the provisions of the Conditions, be entitled to act on behalf of the holders of any relevant Sub-Classes of Wrapped Bonds.
- 17.22 Subject as provided in the Conditions and this Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, this Bond Trust Deed, the Conditions, any Financial Guarantee and any Issuer Transaction Documents in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has been:
- 17.22.1 so requested in writing by the holders of at least 25 per cent. in nominal amount of the relevant Sub-Classes of Bonds outstanding or so directed by an Extraordinary Resolution; and
- 17.22.2 indemnified and/or furnished with security to its satisfaction.
- 17.23 Any trustee of this Bond Trust Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of this Bond Trust Deed and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Bond Trust Deed or any other Issuer Transaction Document.
- 17.24 The Bond Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of this Bond Trust Deed or not) all or any of its trusts, powers, authorities and discretions under this Bond Trust Deed and any other Issuer Transaction Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Bondholders think fit. The Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or, provided that the Bond Trustee has exercised reasonable care in the selection of that person, be in any way responsible for any Liability incurred by reason of any misconduct

or default on the part of any such delegate or sub-delegate. The Bond Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.

- 17.25 The Bond Trustee may in the conduct of the trusts of this Bond Trust Deed instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Bond Trust Deed (including the receipt and payment of money). The Bond Trustee shall not, provided that the Bond Trustee has exercised reasonable care in the selection of that person, be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent nor shall the Bond Trustee be bound to supervise the proceedings or acts of any such agent.
- 17.26 The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Bond Trust Deed or any other document relating or expressed to be supplemental thereto (including, for the avoidance of doubt, any other Issuer Transaction Document) and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Bond Trust Deed or any other document relating or expressed to be supplemental thereto.
- 17.27 The Bond Trustee may appoint any person to act as its nominee or custodian for any purpose in relation to this Bond Trust Deed or any other Issuer Transaction Document and the Bond Trustee shall not, provided that the Bond Trustee has exercised reasonable care in the selection of that person, be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder nor shall the Bond Trustee be bound to supervise the proceedings or acts of such person; the Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- 17.28 The Bond Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.
- 17.29 So long as any Bond is held by or on behalf of DTC, Euroclear or Clearstream, Luxembourg, in considering the interests of Bondholders, the Bond Trustee may consider the interests (either individual or by category) of its accountholders or participants with entitlements to any such Bond as if such accountholders or participants were the holder(s) thereof.
- 17.30 The Bond Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion.
- 17.31 The Bond Trustee shall not be concerned, and need not enquire, as to whether or not any Bonds are issued in breach of the Programme Limit.

- 17.32 Any written information, opinion, advice, certificate or report of the Auditor of the Issuer or any other person called for by or provided to the Bond Trustee (whether or not addressed to the Bond Trustee) in accordance with or for the purposes of this Bond Trust Deed or any other Issuer Transaction Document may be relied upon by the Bond Trustee as sufficient evidence of the facts stated therein notwithstanding that such written information, opinion, advice, certificate or report and/or any engagement letter or other document entered into by the Bond Trustee in connection therewith contains a monetary or other limit on the liability of the Auditor of the Issuer or such other person in respect thereof.
- 17.33 Notwithstanding anything else herein contained, the Bond Trustee may refrain from doing anything which would or might in its opinion (acting reasonably) be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 17.34 Notwithstanding anything contained in this Bond Trust Deed or any other Issuer Transaction Document, to the extent required by any applicable law, if the Bond Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or under any other Issuer Transaction Document or if the Bond Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Bond Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Bond Trust Deed or any other Issuer Transaction Document (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Bond Trustee in connection with the trusts of this Bond Trust Deed (other than the remuneration herein specified) or otherwise, then the Bond Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Bond Trustee to tax from the funds held by the Bond Trustee upon the trusts of this Bond Trust Deed.
- 17.35 The Bond Trustee shall not be liable for any failure, omission or defect in registering or otherwise perfecting the Issuer Security or calling for delivery of documents of title to such Issuer Security or requiring any further assurance in relation to any property or assets comprised in the Issuer Security.
- 17.36 The Bond Trustee will not be liable for any decline in the value nor any loss realised upon any sale or other disposition of any of the Issuer Charged Property made pursuant to this Bond Trust Deed. In particular and without limitation, the Bond Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with the Issuer Transaction Documents and the Conditions.

- 17.37 Without prejudice to the provisions of any of the Issuer Transaction Documents relating to insurance, the Bond Trustee shall not be under any obligation to insure any of the Issuer Charged Property or any deeds or documents of title or other evidence in respect thereof or to require any other person to maintain any such insurance and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance.
- 17.38 The Bond Trustee shall not be responsible for any loss, expense or liability occasioned to the Issuer Charged Property however caused by any act or omission of the Issuer or any other person (including any bank, broker, depository, warehouseman or other intermediary or any clearing system or the operator thereof) acting in accordance with or contrary to the terms of any of the Issuer Transaction Documents or otherwise and irrespective of whether the Issuer Charged Property is held by or to the order of any of the foregoing persons, unless such loss is occasioned by the wilful default or gross negligence or fraud of the Bond Trustee.
- 17.39 The Bond Trustee shall have no responsibility whatsoever to the Issuer or any Bondholder or Couponholder as regards any deficiency or additional payment, as the case may be, which might arise because the Bond Trustee or the Issuer is subject to any Tax in respect of the Issuer Charged Property or any part thereof or any income therefrom or any proceeds thereof.
- 17.40 The Bond Trustee shall have no responsibility for the maintenance of any ratings of the Bonds by any Rating Agency or any other internationally recognised rating agency which is providing current ratings for the Bonds or any other person.
- 17.41 The Bond Trustee shall be entitled, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Conditions and/or the Issuer Transaction Documents to which it is a party or over which it has security, to have regard to the Ratings Confirmation if, in any particular circumstance, it considers that the Ratings Confirmation is an appropriate test or the only appropriate test to apply in that circumstance in exercising any such power, trust, authority, duty or discretion or, as the case may be, in giving the relevant consent.
- 17.42 The Bond Trustee represents and warrants that it is an authorised person under Section 19 of FSMA.
- 17.43 The Bond Trustee may determine whether or not a default in the performance or observance by the Issuer or the Bond Guarantor or a Financial Guarantor of any obligation under the provisions of this Bond Trust Deed or contained in the Bonds, Receipts or Coupons is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Bond Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders such certificate shall be conclusive and binding upon the Issuer, the Bond Guarantor, the relevant Financial Guarantor, the Bondholders, the Receiptholders and the Couponholders;
- 17.44 The Bond Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Bond Trust Deed or by operation of law have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Bond Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but, whenever the Bond Trustee is under the provisions of this Bond Trust

Deed bound to act at the request or direction of the Bondholders, the Bond Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all Liabilities which it may incur by so doing.

- 17.45 The Bond Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Bond Trustee assigned by the Bond Trustee to administer its corporate trust matters.
- 17.46 The Bond Trustee shall be entitled to call for and rely upon a certificate believed by it to be genuine of any two Authorised Signatories or any one director of any of the parties to the Issuer Transaction Documents (other than the Issuer and the Obligors) in respect of every matter and circumstance upon which the Bond Trustee may require to be satisfied or for which a certificate is expressly provided for under the Issuer Transaction Documents as sufficient evidence thereof and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failing to do so.
- 17.47 Nothing contained in this Bond Trust Deed shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- 17.48 Section 1 of the Trustee Act 2000 shall not apply to the duties of the Bond Trustee in relation to the trusts constituted by this Bond Trust Deed.
- 17.49 The Bond Trustee shall provide each Rating Agency, at its request, from time to time and provided that the Bond Trustee will not contravene any law or regulation in so doing, with all notices, written information and reports that the Bond Trustee makes available to the Bondholders of any Class or Sub-Class except to the extent that such notices, information or reports, contain information confidential to third parties.

18. **BOND TRUSTEE'S LIABILITY**

Subject to Section 192 of the Companies Act 1985 (if applicable) and notwithstanding anything to the contrary in this Bond Trust Deed (whether under Clause 17 or otherwise) or any other Issuer Transaction Document, the Bond Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Bond Trust Deed or any other Issuer Transaction Document save in relation to its own gross negligence, wilful default or fraud.

19. **BOND TRUSTEE CONTRACTING WITH THE ISSUER, THE BOND GUARANTOR AND THE FINANCIAL GUARANTORS**

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under this Bond Trust Deed shall by reason of its or his fiduciary position be in any way precluded from:

- 19.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer, the Bond Guarantor or any Financial Guarantor or any person or body corporate associated with the Issuer, the Bond Guarantor or any Financial Guarantor (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Bonds or any other bonds, notes, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Bond Guarantor, any Financial Guarantor or any person or body corporate associated as aforesaid); or
- 19.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer or any such person or body corporate so associated or any other office of profit under the Issuer or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 19.1.1 above or, as the case may be, any such trusteeship or office of profit as is referred to in Clause 19.1.2 above without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders and shall not be responsible for any Liability occasioned to the Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to this Bond Trust Deed.

20. **CONSENT, WAIVER AND VARIATION**

20.1 Consent and waiver

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*), the Bond Trustee may, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Bond Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the holders of the Most Senior Class of Bonds then outstanding shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the

Conditions or any Issuer Transaction Document (other than a Common Document) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute a Bond Event of Default shall not be treated as such for the purposes of this Bond Trust Deed PROVIDED THAT to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent and PROVIDED FURTHER THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause 20.1 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Bonds then outstanding in accordance with Condition 15(a) (*Meetings of Bondholders, Waiver and Modification*) or of a request in writing made by holders of not less than 25 per cent. in aggregate of the principal amount of the Most Senior Class of Bonds then outstanding but no such direction or request shall affect any waiver, authorisation or determination previously given or made or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Bondholders, the Receiptholders and the Couponholders and the other Issuer Secured Creditors and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Bondholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

20.2 Variation

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*) and Clause 31.4 (*Specific variations*) of the Issuer Deed of Charge, the Bond Trustee may, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditors, at any time and from time to time concur with the Issuer or any other relevant parties in making:

- 20.2.1 any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Document) or other document to which it is a party or in respect of which it holds security if the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the holders of the Most Senior Class of Bonds then outstanding; or
- 20.2.2 any modification to the Conditions or the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Document) or other document to which it is a party or in respect of which it holds security if in the opinion of the Bond Trustee such modification is made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature,

PROVIDED THAT to the extent such modification under 20.2.1 above, relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Bondholders, the Receiptholders, the Couponholders and the other Issuer Secured Creditors and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Bondholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

20.3 Breach

Any breach of or failure to comply by the Issuer with any terms and conditions imposed by the Bond Trustee in connection with any consent, waiver or variation agreed to pursuant to this Clause 20 (*Consent, Waiver or Variation*) or clause 31 (*Consent, Waiver and Variation of Issuer Transaction Documents*) of the Issuer Deed of Charge shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to this Bond Trust Deed.

21. **HOLDER OF DEFINITIVE BOND ASSUMED TO BE RECEIPTHOLDER AND COUPONHOLDER**

21.1 Wherever in this Bond Trust Deed the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under this Bond Trust Deed, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Bondholder is the holder of all Receipts and Coupons appertaining to each Definitive Bond of which he is the holder.

21.2 No Notice to Receipt Holders or Couponholders

Neither the Bond Trustee nor the Issuer shall be required to give any notice to the Receiptholders or Couponholders for any purpose under this Bond Trust Deed and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Bonds in accordance with Condition 17 (*Notices*).

22. **SUBSTITUTION OF THE ISSUER**

22.1 The Bond Trustee may, without reference to, or the consent of, the Bondholders, Receiptholders and Couponholders or any other Issuer Secured Creditor, consent to the substitution of any other company (the “**Substituted Issuer**”) in place of the Issuer as principal debtor under this Bond Trust Deed, so long as:

22.1.1 a trust deed is executed or some other written form of undertaking is given by the Substituted Issuer to the Bond Trustee, in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the terms of the Issuer Transaction Documents and this Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Issuer had been named in this Bond Trust Deed and on the Bonds, the Receipts, the Coupons and in the Issuer Transaction Documents as the principal debtor in place of the Issuer or any previous Substituted Issuer (as applicable) under this Clause 22;

- 22.1.2 the Issuer and the Substituted Issuer execute such other deeds, documents and instruments (if any) as the Bond Trustee may require in order that the substitution is fully effective and comply with such other requirements as the Bond Trustee may direct in the interests of the Bondholders, the Receiptholders and the Couponholders;
- 22.1.3 if the substitution of the Substituted Issuer for the Issuer obliges any Issuer Secured Creditor to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Issuer and the Substituted Issuer shall promptly upon the request of such Issuer Secured Creditor supply, or procure the supply of, such documentation and other evidence as is reasonably requested by such Issuer Secured Creditor;
- 22.1.4 (if all or substantially all the assets of the Issuer or any previous Substituted Issuer (as applicable) are transferred to the Substituted Issuer) the Substituted Issuer acquires the Issuer’s or any previous Substituted Issuer’s (as applicable) equity of redemption in the Issuer Charged Property, becomes a party to all the Issuer Transaction Documents to which the Issuer or any previous Substituted Issuer (as applicable) is a party, acknowledges the Issuer Security and the other matters created and effected in respect thereof pursuant to this Bond Trust Deed and the Issuer Deed of Charge and takes all such action as the Bond Trustee may require so that the Issuer Charged Property continues to be subject to the Issuer Security and the other matters created by the Substituted Issuer and otherwise effected or maintained in all respects corresponding to those previously subsisting on the part of the Issuer or such previous Substituted Issuer (as applicable);
- 22.1.5 (unless all or substantially all of the assets of the Issuer or any previous Substituted Issuer are transferred to the Substituted Issuer) an unconditional and irrevocable guarantee secured on the Issuer Charged Property in form and substance satisfactory to the Bond Trustee is given by the Issuer or any previous Substituted Issuer (as applicable) of the obligations of the Substituted Issuer under this Bond Trust Deed and the Issuer Transaction Documents and, in the case of Wrapped Bonds, such Wrapped Bonds continue to carry the unconditional guarantee of the Relevant Financial Guarantor;
- 22.1.6 the Substituted Issuer is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer or any previous Substituted Issuer (as applicable) and satisfies the SPV Criteria;
- 22.1.7 the Bond Trustee is satisfied that (i) the Substituted Issuer has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor under this Bond Trust Deed and in respect of the Bonds, the Receipts, the Coupons and the other Issuer Transaction Documents in place of the Issuer or any previous Substituted Issuer (as applicable) and (ii) such approvals and consents are at the time of substitution in full force and effect;
- 22.1.8 any two of the Rating Agencies have confirmed in writing to the Bond Trustee that the then current public ratings in respect of the Unwrapped Bonds and the then

current underlying ratings in respect of the Wrapped Bonds which have been sought by the Issuer will not be downgraded as a result of the substitution of the Substituted Issuer;

- 22.1.9 the Bond Trustee is provided with such legal opinions as it may require in respect of such substitution in form and substance satisfactory to it; and
- 22.1.10 for so long as there are any Wrapped Bonds outstanding, the prior written consent of each Relevant Financial Guarantor(s) (in respect of which no FG Event of Default is continuing) has been obtained (such consent not to be unreasonably withheld or delayed).
- 22.2 The Bond Trustee shall be entitled to refuse to approve any Substituted Issuer if, pursuant to the law of the jurisdiction of incorporation of the Substituted Issuer, the assumption by the Substituted Issuer of its obligations hereunder imposes responsibilities on the Bond Trustee over and above those which have been assumed under this Bond Trust Deed.
- 22.3 If any two Directors of the Substituted Issuer certify that immediately prior to the assumption of its obligations as Substituted Issuer under this Bond Trust Deed the Substituted Issuer is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Substituted Issuer, the Bond Trustee need not have regard to the financial condition, profits or prospects of the Substituted Issuer or compare the same with those of the Issuer or any previous Substituted Issuer (as applicable) under this Clause 22.
- 22.4 In connection with any proposed substitution, the Bond Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Bondholders, Receiptholders, Couponholders or other Issuer Secured Creditors resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. Save as provided in the Issuer Transaction Documents, no Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditors shall, in connection with any such substitution, be entitled to claim from the Issuer or any previous Substituted Issuer (as applicable) any indemnification or payment in respect of any tax arising directly as a consequence of any such substitution in respect of individual Bondholders, Receiptholders, Couponholders or other Issuer Secured Creditor.
23. **NEW BOND TRUSTEE**
- 23.1 The power to appoint a new trustee of this Bond Trust Deed shall be vested solely in the Issuer but no person shall be appointed who shall not previously have been approved by each Relevant Financial Guarantor of Class A Wrapped Bonds and by an Extraordinary Resolution of the holders of the Class A Unwrapped Bonds and, in respect of any Tranche or Sub-Class of Class A Wrapped Bonds in relation to which an FG Event of Default is continuing, by an Extraordinary Resolution of the holders of such Tranche or Sub-Class, or, if there are no Class A Bonds then outstanding, each Relevant Financial Guarantor of Class B Wrapped Bonds and by an Extraordinary Resolution of the holders of the Class B Unwrapped Bonds and, in respect of any Tranche or Sub-Class of Class B Wrapped Bonds in relation to which an FG Event of Default is continuing, by an Extraordinary Resolution of the holders of such Tranche or Sub-Class of Class B Wrapped Bonds, or, if there are no Class A Bonds or Class B Bonds then

outstanding, by an Extraordinary Resolution of the holders of the Subordinated Bonds. One or more persons may hold office as trustee or trustees of this Bond Trust Deed but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of this Bond Trust Deed the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by this Bond Trust Deed *provided that* a Trust Corporation shall be included in such majority. Any appointment of a new trustee of this Bond Trust Deed shall as soon as practicable thereafter be notified by the Issuer to the Borrower Security Trustee, the Agents, the Bondholders and the Financial Guarantor(s). Notwithstanding the foregoing, any appointment of a new Bond Trustee of this Bond Trust Deed will not take effect unless at the same time the same person has been appointed as Borrower Security Trustee pursuant to the STID.

23.2 Separate and Co-Trustees

Notwithstanding the provisions of sub-clause 23.1 above, the Bond Trustee may, upon giving prior notice to the Issuer and the Financial Guarantor(s) (but without the consent of the Issuer, the Bondholders, Receipholders, Couponholders or any other Issued Secured Creditor or the Financial Guarantor(s)), 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 Bond Trustee:

- 23.2.1 if the Bond Trustee considers such appointment to be in the interests of the Bondholders;
- 23.2.2 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
- 23.2.3 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 this Bond Trust Deed or any other Issuer Transaction Document against the Issuer or the Bond Guarantor or any Financial Guarantor.

23.3 The Issuer irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Bond Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by this Bond Trust Deed and the other Issuer Transaction Documents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Bond Trust Deed be treated as Liabilities incurred by the Bond Trustee.

23.4 Any corporation into which the Bond Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bond Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Bond Trustee, shall be the successor of

the Bond Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

24. **BOND TRUSTEE'S RETIREMENT AND REMOVAL**

A trustee of this Bond Trust Deed may retire at any time on giving not less than three calendar months' prior written notice to the Issuer, (if there are any BAA Bond Guarantees in existence at such date) the Bond Guarantor and the Financial Guarantor(s) without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Issuer Removal Creditors holding at least 75 per cent. of the Issuer Removal Debt then outstanding may, by resolution in writing, remove any trustee or trustees for the time being of this Bond Trust Deed. The Issuer undertakes that in the event of the only trustee of this Bond Trust Deed which is a Trust Corporation giving notice under this Clause 24 or being removed by a resolution in writing of the relevant Issuer Removal Creditors, it will use its reasonable endeavours to procure that a new trustee of this Bond Trust Deed being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective (a) until a successor trustee being a Trust Corporation is appointed and (b) the Borrower Security Trustee appointed pursuant to the STID retires or is removed at the same time. If the Issuer has not procured a new trustee within 30 days of expiry of the notice in this Clause 24, the Bond Trustee shall be entitled to procure a new bond trustee.

25. **BOND TRUSTEE'S POWERS TO BE ADDITIONAL**

The powers conferred upon the Bond Trustee by this Bond Trust Deed and the other Issuer Transaction Documents shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Bonds, Receipts or Coupons.

26. **NEW FINANCIAL GUARANTOR**

26.1 New Financial Guarantor

If the Issuer wishes any person (such person intending to become a provider of a financial guarantee to the Issuer) to become a Financial Guarantor under this Bond Trust Deed, the Issuer shall notify the Bond Trustee in writing.

26.2 Accession of Financial Guarantor

On the relevant Accession Date, the Issuer and the proposed Financial Guarantor shall deliver to the Bond Trustee:

26.2.1 an accession memorandum (in or substantially in the form set out in the Seventh Schedule to this Bond Trust Deed which, for the purposes of this Clause 26 shall be an “**Accession Memorandum**”) executed by each person who is a party to this Bond Trust Deed at such time and the proposed Financial Guarantor supported by a legal opinion as to due incorporation, capacity and due authorisation of such proposed Financial Guarantor; and

26.2.2 a copy of the relevant Financial Guarantee intended to be executed by the proposed Financial Guarantor.

26.3 Notices of accessions

Upon receipt by the Bond Trustee of a duly completed and executed Accession Memorandum in respect of a proposed Financial Guarantor, the Bond Trustee shall procure that the Issuer gives notice thereof to the existing Financial Guarantor(s), the Borrower Security Trustee and the Bondholders.

26.4 Effectiveness of accession

It is hereby agreed by the parties hereto that any such Accession Memorandum delivered pursuant to Clause 26.2 shall take effect upon delivery to the Bond Trustee. The Bond Trustee shall not be responsible for reviewing the terms of such accession nor for considering the relationship between the acceding Financial Guarantor and any existing Financial Guarantor.

26.5 Discharge of obligations

If the Issuer ceases to be under any actual or contingent liability to any existing Financial Guarantor under any Financial Guarantee or any Issuer Transaction Documents and if such Financial Guarantor has no outstanding liabilities under the Financial Guarantee or any Issuer Transaction Document, such Financial Guarantor shall cease to be a Financial Guarantor under this Bond Trust Deed.

27. **VARIATION**

Subject to clause 31.4 (*Specific variations*) of the Issuer Deed of Charge, a variation of this Bond Trust Deed is valid only if it is in writing and signed by or on behalf of each party.

28. **NON-PETITION AND LIMITED RECOURSE**

28.1 Non-Petition

The Bond Trustee agrees with the Issuer that:

28.1.1 neither the Bond Trustee nor any person on its behalf shall initiate or join any person in initiating any Insolvency Event or the appointment of any Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed by the Bond Trustee under Clause 18 (*Appointment and Removal of Administrator and Receiver*) of the Issuer Deed of Charge for so long as any Bonds are outstanding and for two years and a day after the latest Maturity Date on which any bond of any Series is due to mature; and

28.1.2 neither the Bond Trustee nor any person on its behalf shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Issuer Payment Priorities not being complied with.

28.2 Limited Recourse

The Bond Trustee agrees with the Issuer that notwithstanding any other provision of any Issuer Transaction Document, all obligations of the Issuer to the Bond Trustee, including, without limitation, the Issuer Secured Liabilities, are limited in recourse as set out below:

- 28.2.1 it will have a claim only in respect of the Issuer Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
 - 28.2.2 the aggregate amount of all sums due and payable to the Bond Trustee in respect of the Issuer's obligations to the Bond Trustee shall reduce by the amount by which the aggregate amount of sums due and payable to the Bond Trustee exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable by the Issuer in accordance with the Issuer Payment Priorities in priority to or *pari passu* with sums payable to the Bond Trustee), whether pursuant to enforcement of the Issuer Security or otherwise; and
 - 28.2.3 upon the Bond Trustee giving written notice to the Issuer Secured Creditors that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents, the Bond Trustee shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.
- 28.3 To the extent not prohibited by applicable laws or regulations but otherwise notwithstanding anything to the contrary contained in this Bond Trust Deed or any other Issuer Transaction Document, no recourse under any obligation, covenant or agreement of the any party to this Bond Trust Deed contained in this Bond Trust Deed shall be had against any shareholder, officer, director or employee of such party as such by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Bond Trust Deed is solely a corporate obligation of the parties to this Bond Trust Deed, and that no personal liability whatever shall attach to or be incurred by the shareholders, officers, directors or employees of any party to this Bond Trust Deed, as such, or any of them under or by reason of any of the obligations, covenants or agreements of any such party contained in this Bond Trust Deed, or implied therefrom, and that any and all personal liability for breaches by any party to this Bond Trust Deed of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, of every such shareholder, officer, director or employee is hereby expressly waived as a condition of and in consideration for the execution of this Bond Trust Deed.

29. **NO ASSIGNMENT**

No party to this Bond Trust Deed may assign all or any of its rights or transfer all or any of its rights and obligations under this Bond Trust Deed except (1) as expressly provided by this Bond Trust Deed or the Issuer Deed of Charge or (2) as may be required by law.

30. **SEVERABILITY**

30.1 **General**

If a provision of this Bond Trust Deed is or becomes illegal, invalid or unenforceable in any jurisdiction in respect of any party, that will not affect:

30.1.1 in respect of such party the validity or enforceability in that jurisdiction of any other provision of this Bond Trust Deed;

30.1.2 in respect of any other party the validity or enforceability in that jurisdiction of that or any other provision of this Bond Trust Deed; or

30.1.3 in respect of any party the validity or enforceability in other jurisdictions of that or any other provision of this Bond Trust Deed.

31. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Bond Trust Deed or any trust deed supplemental hereto (other than each Rating Agency in respect of Clause 17.49 and paragraph 26 of Part 2 (*General Covenants*) of Schedule 2 (*Issuer Covenants*)) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bond Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

32. **NOTICES**

32.1 Any communication must be in writing may be given in person, by post, fax, or email or any other electronic communication approved by the Bond Trustee. An electronic communication will be treated as being in writing.

32.2 Except as provided below, the contact details of each party for all communications in connection with this Bond Trust Deed are those notified by that party for this purpose to the Bond Trustee on or before the date it becomes a party.

32.2.1 The contact details of the Issuer for this purpose are:

Address: 130 Wilton Road
London SW1V 1LQ

Fax number: +44 (0) 208 745 9972

Attention: Company Secretary

32.2.2 The contact details of the Bond Guarantor for this purpose are:

Address: 130 Wilton Road
London SW1V 1LQ

Fax number: +44 (0) 208 745 9972

Attention: Company Secretary

32.2.3 The contact details of the Bond Trustee for this purpose are:

Address: Winchester House
1 Great Winchester Street
London EC2N 2DB

Fax number: + 44 20 7547 5919

Attention: The Managing Director (TSS-SFS)

32.3 Any party may change its contact details by giving five Business Days' notice to the Bond Trustee or (in the case of the Bond Trustee) to the other parties.

32.4 Where a party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

32.5 Except as provided below, any communication in connection with this Bond Trust Deed will be deemed to be given as follows:

32.5.1 if delivered in person, at the time of delivery;

32.5.2 if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;

32.5.3 if by fax, when received in legible form; or

32.5.4 if by email or any other electronic communication, when received in legible form.

32.6 Any communication given under Clause 32.5 above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

32.7 A communication to the Bond Trustee will only be effective on actual receipt by it.

33. **GOVERNING LAW**

This Bond Trust Deed and all matters arising from or connected with it shall be governed by English law.

34. **ENFORCEMENT**

34.1 The English courts have exclusive jurisdiction to settle any dispute in connection with this Bond Trust Deed.

34.2 The English courts are the most appropriate and convenient courts to settle any such dispute and each party other than the Bond Trustee waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Bond Trust Deed.

34.3 This Clause 34 is for the benefit of the Bond Trustee only. To the extent allowed by law, the Bond Trustee may take:

- 34.3.1 proceedings in any other court; and
- 34.3.2 concurrent proceedings in any number of jurisdictions.
- 34.4 The Issuer agrees that the documents which start any proceedings relating to a dispute (“**Proceedings**”) and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to BAA Limited at 130 Wilton Road, London SW1V 1LQ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Bond Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer. Nothing in this paragraph shall affect the right of the Bond Trustee or any other person to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
35. **COUNTERPARTS**
- This Bond Trust Deed may be executed manually or by facsimile in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Bond Trust Deed.
36. **EXECUTION**
- Each Party shall be bound by the provisions of this Deed through the execution and delivery by such Party of the Master Execution Deed and the provisions of Clause 2 (*Effect of Execution*) thereof.

SCHEDULE 1
REPRESENTATIONS AND WARRANTIES

1. **Status**

- (a) The Issuer is a public limited company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) The Issuer has the power and authority to own, lease and operate its assets and carry on its business as it is being conducted.

2. **Powers and authority**

The Issuer has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Issuer Transaction Documents to which it is a party and the transactions contemplated by such Issuer Transaction Documents to the extent applicable to it, and to create and issue the Bonds.

3. **Authorisation**

All acts, conditions and things required to be done, fulfilled and performed in order:

- 3.1 to enable the Issuer lawfully to issue, distribute and perform the terms of the Bonds and distribute the Base Prospectus in accordance with the selling restrictions set out in Schedule 1 of the Dealership Agreement;
- 3.2 to enable the Issuer lawfully to enter into each Issuer Transaction Document;
- 3.3 to enable the Issuer lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Issuer Transaction Documents;
- 3.4 to ensure that the obligations expressed to be assumed by it in the Bonds and the Issuer Transaction Documents are legal, valid, binding and enforceable against it; and
- 3.5 to make the Bonds and the Issuer Transaction Documents admissible in evidence in the United Kingdom and Jersey,

have been done, fulfilled and performed (subject to the necessary registrations being completed) and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

4. **Execution**

The Issuer Transaction Documents have been duly executed by the Issuer.

5. **Solvency**

No Insolvency Event has occurred in respect of the Issuer.

6. **Tax residence**

The Issuer is a company which is not and has not, since incorporation, been resident for tax purposes in any jurisdiction other than the United Kingdom.

The Issuer has applied for and been granted exempt company status for the purposes of and in accordance with Article 123(A) of the Income Tax (Jersey) Law 1961 for the calendar year 2008.

7. **Management and administration**

The Issuer's management, the places of residence of the directors of the Issuer, the place at which meetings of the board of directors of the Issuer are held and the place from which the Issuer's interests are administered on a regular basis are all situated in the United Kingdom.

8. **No Establishment, Subsidiaries, Employees Or Premises**

The Issuer has no "establishment", as that term is used in Article 2(h) of the EU Insolvency Regulation or branch office in any jurisdiction other than the United Kingdom, no subsidiaries, no employees and no premises.

9. **Issuer's activities**

The Issuer has not engaged in any activities since its incorporation other than:

- 9.1 those incidental to its registration under the Companies (Jersey) Law 1991, as amended and the Control of Borrowing (Jersey) Order 1958, as amended;
- 9.2 increases in authorised and issued share capital;
- 9.3 other appropriate corporate steps;
- 9.4 the authorisation of the issue of the initial Bonds and the authorisation and execution of the Issuer Transaction Documents; and
- 9.5 the activities referred to in or contemplated by the Issuer Transaction Documents and the Base Prospectus.

10. **No adverse change**

Save as disclosed in the Base Prospectus, since the date of its incorporation, or the date of its last financial statements delivered to the Bond Trustee (if later), there has been no material adverse change in the financial position or prospects of the Issuer.

11. **No governmental investigation**

No governmental or official investigation or inquiry concerning the Issuer is, so far as the Issuer is aware, progressing or pending or has been threatened which may have a Material Adverse Effect on the Issuer, any Issuer Transaction Document or which may have or may during the twelve months prior to the Initial Issue Date have had a significant effect on the financial position of the Issuer.

12. **Non-conflict**

The entry into and performance by the Issuer of, and the transactions contemplated by, the relevant Issuer Transaction Documents do not and will not conflict with:

- (a) any law or regulation applicable to it and which is material in the context of the transactions contemplated in the Issuer Transaction Documents;
- (b) its constitutional documents;
- (c) any document which is binding upon it; or
- (d) any licence that is required for the carrying on of its business.

13. **Centre Of Main Interests**

The Issuer:

- (a) maintains its registered office in Jersey;
- (b) maintains its head office in the United Kingdom
- (c) holds all meetings of its board of directors in the United Kingdom;
- (d) has not opened any office or branch outside of the United Kingdom or Jersey; and
- (e) has not knowingly done anything (except to the extent that entering into the Issuer Transaction Documents and the performance of their terms cause it to be so resident) which may result in the Issuer creating an establishment in another jurisdiction than United Kingdom or Jersey;

and, based on the representations and warranties it makes at (a) to (e) above it believes that its “centre of main interests” for the purposes of the EU Insolvency Regulation is in the United Kingdom and that it has no establishment (for the purposes of the EU Insolvency Regulation) other than in the United Kingdom and Jersey.

14. **Valid and binding obligations**

Subject to the Reservations, the obligations expressed to be assumed by the Issuer under the Issuer Transaction Documents (other than the Bonds) are legal and valid obligations, binding on it and enforceable against it in accordance with their terms.

15. **Authorisations**

All consents, licences, authorisations and approvals:

- (a) required to be obtained by the Issuer to enable the consummation of the transactions constituted by the Issuer Transaction Documents to which it is a party have been obtained or will have been obtained before the Initial Issue Date; and
- (b) necessary for the conduct of the business of the Issuer substantially as conducted at the date hereof have been obtained or will be obtained prior to the Initial Issue Date,

their terms and conditions have been complied with in all material respects and they have not been and, so far as the Issuer is aware, will not be revoked or otherwise terminated as a result of entry into the Issuer Transaction Documents and the consummation of the transactions constituted thereby,

in each case, which if not obtained or complied with, or which if revoked or terminated, would otherwise reasonably be expected to have a Material Adverse Effect.

16. **Litigation**

No litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of the directors of the Issuer (having made all due enquiries), pending or threatened in writing, against it or against any of its directors or its assets (excluding any frivolous or vexatious claims) which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

17. **No deduction or withholding**

Under the laws of its jurisdiction of incorporation and its jurisdiction of tax residence in force at the date of giving this representation, the Issuer will not be required to make any deduction or withholding from any payment of interest it may make under the relevant Issuer Transaction Document where the payment is made:

- (a) on any security which it issues and which is listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007);
- (b) on an advance from a bank (within the meaning of section 991 of the Income Tax Act 2007) if, at the time the interest is paid, the beneficial owner of the interest is within the charge to corporation tax as regards the interest;
- (c) in circumstances where it reasonably believes that the beneficial owner of the interest is a UK resident company (or a partnership each member of which is such a company) or a non UK resident company which is within the charge to UK corporation tax as regards the payment of interest at the time the payment is made, provided that H.M. Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owner does not qualify for gross payment) that the interest should be paid under deduction of UK income tax; or
- (d) in circumstances where H.M. Revenue & Customs has directed it to pay without withholding pursuant to a claim under any provisions of any applicable double taxation treaty.

18. **Compliance with Laws**

No practice, procedure or policy employed by the Issuer in the conduct of its business violates any judgment, law, regulation, order or decree applicable to it and which violation, if enforced, would be reasonably likely to have a Material Adverse Effect.

19. **Choice of law**

Subject to the Reservations, in any proceedings taken in relation to the Issuer Transaction Documents, the choice of English law will be recognised and enforced, subject only to public policy, insolvency, moratorium and other similar laws affecting creditors' rights generally.

20. **Compliance with Issuer Transaction Documents**

The Issuer has complied with the terms of the Issuer Transaction Documents, save where failure to do so would not have a Material Adverse Effect.

21. **Security**

Subject to the Reservations, the Issuer Deed of Charge validly creates the Security Interests in respect of the assets of the Issuer which it purports to create and those Security Interests are not subject to any prior or *pari passu* Security Interests.

22. **Security Interests valid and binding**

Subject to the Reservations, the Security Interests created by the Issuer Deed of Charge are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms and not liable to be avoided or otherwise set aside in the event of any Insolvency Proceeding in relation to the Issuer.

23. **Ranking of claims**

Subject to the Reservations, the claims of the Issuer Secured Creditors against the Issuer will rank in priority to the claims of unsecured creditors (save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application) of the Issuer as provided in the Issuer Deed of Charge.

24. **Filings**

Save for the Required Filings in respect of the Issuer, under the laws of Jersey or England and Wales it is not necessary that any Issuer Transaction Document be filed, recorded or enrolled with any court or other authority in Jersey or England and Wales.

25. **Stamp, registration and similar taxes**

Under the laws of Jersey or England and Wales, it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Issuer Transaction Documents or any of them.

26. **General duty of disclosure**

The Prospectus contains all such information as is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds and complies with (A) if such Prospectus has been prepared in connection with a Series, Sub-Class or Tranche of Bonds that are, or will be admitted to the Official List and traded on the London Stock Exchange, Section 87A of FSMA, (B) if such Prospectus has been prepared in connection with a Series, Sub-Class or Tranche of Bonds that are, or will be listed on a regulated market of an EEA stock

exchange, the Prospectus Directive and any applicable local law requirements, and (C) otherwise any local law requirements which are applicable in any jurisdiction in which the Issuer may list a particular Series, Sub-Class or Tranche of Bonds from time to time.

27. **Approval of Base Prospectus**

Applications have been made for each class of Bonds to be admitted to listing on the Official List of the UKLA and to trading on the Stock Exchange. The Prospectus comprises a prospectus issued in compliance with the Prospectus Rules.

28. **No Bond Event of Default**

28.1 No Bond Event of Default will result from the execution of, or the performance of any transaction contemplated by, any Issuer Transaction Document; and

28.2 no other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

29. **Negative pledge**

The Issuer has not created or allowed to exist any Security Interest on any of its present or future revenues or assets other than in accordance with the Issuer Deed of Charge.

30. **Bonds valid and binding**

Subject to the Reservations, the Bonds constitute or will (upon execution, due authentication and delivery) constitute, legal and valid obligations binding on the Issuer and enforceable against it in accordance with their terms.

31. **Status of Bonds**

Subject to the Reservations:

- (a) the Bonds will constitute direct, secured and unconditional obligations of the Issuer;
- (b) the Class A Bonds of whatever series rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves, other than (in either case) with respect to the benefit of the relevant Financial Guarantee;
- (c) the Class B Bonds of whatever series rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves, other than (in either case) with respect to the benefit of the relevant Financial Guarantee;
- (d) the Subordinated Bonds of whatever series rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves;
- (e) payments of interest due on the Class A Bonds will rank *pari passu* and rateably without preference or priority amongst themselves, except to the extent such interest

is paid pursuant to a relevant Financial Guarantee or a Bond Guarantee, and will rank in priority to payments of interest due on the Class B Bonds and the Subordinated Bonds;

- (f) repayments of principal due on the Class A Bonds will rank *pari passu* and rateably without preference or priority amongst themselves, except to the extent such principal is repaid pursuant to a relevant Financial Guarantee or a Bond Guarantee, and will rank in priority to payments of principal due on the Class B Bonds and the Subordinated Bonds;
- (g) payments of interest due on the Class B Bonds will rank *pari passu* and rateably without preference or priority amongst themselves, except to the extent such interest is paid pursuant to a relevant Financial Guarantee or a Bond Guarantee, and will rank in priority to payments of interest due on the Subordinated Bonds;
- (h) payments of principal due on the Class B Bonds will rank *pari passu* and rateably without preference or priority amongst themselves, except to the extent such principal is paid pursuant to a relevant Financial Guarantee or a Bond Guarantee, and will rank in priority to payments of principal due on the Subordinated Bonds;
- (i) payments of interest due on the Subordinated Bonds will rank *pari passu* and rateably without preference or priority amongst themselves; and
- (j) payments of principal due on the Subordinated Bonds will rank *pari passu* and rateably without preference or priority amongst themselves.

32. **Use of Proceeds**

The Issuer will not directly or indirectly use the proceeds of any offering of Bonds hereunder, or lend, contribute or otherwise make available such proceeds to any Affiliate of the Issuer:

- (a) to fund or facilitate any activities of or business with any individual or entity (each, a "Person") that, at the time of such funding or facilitation, is (collectively, a "Sanction Target"):
 - (i) designated on any list of targeted persons issued by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council ("**UNSC**"), the European Union ("**EU**"), or Her Majesty's Treasury ("**HMT**") (collectively, "**Sanctions Authorities**") including OFAC's list of Specially Designated Nationals and Blocked Persons List and the consolidated list of financial sanctions targets maintained by HMT or any other equivalent sanctions regulation issued by a Sanctions Authority;
 - (ii) owned 50 per cent. or more by or otherwise controlled by, or acting on behalf of one or more Persons referenced in clause (i) above; or
 - (iii) located, organized or resident in a country or territory that is the subject or the target of economic and financial sanctions administered or enforced by a

Sanctions Authority (currently, Cuba, Iran, North Korea, Sudan, the Crimea region and Syria) (each, a "**Sanctioned Territory**"),

- (b) to fund or facilitate any activities of or business in any Sanctioned Territory in violation of the economic or financial sanctions administered by a Sanctions Authority, or
- (c) in any other manner that would reasonably be expected to result in a violation by any Person (including any Person participating in the transaction, whether as a Dealer, advisor, investor or otherwise) of the sanctions described in (i)-(iii) above.

33. **Identity**

Neither the Issuer, nor, to the best of its knowledge, any director, officer, employee, agent, controlled affiliate or other person acting on behalf, at the direction or in the interest of the Issuer is a Person that is a Sanction Target.

SCHEDULE 2
ISSUER COVENANTS

Part 1
Corporate Covenants

1. Conduct

The Issuer shall at all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law and any Regulatory Direction from time to time in force in Jersey or England and Wales or in any other jurisdiction in which it carries on business and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Material Adverse Effect.

2. Consents

2.1 The Issuer shall obtain, comply with the terms of and do all that is necessary:

2.1.1 to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Requirement of Law and any Regulatory Direction from time to time in force in Jersey or England and Wales or in any other applicable jurisdiction in connection with its business; and

2.1.2 to enable it lawfully to enter into and perform its obligations under the Issuer Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in Jersey or England and Wales of the Issuer Transaction Documents.

3. Authorised signatories

The Issuer shall deliver to the Bond Trustee (with a copy to the Issuer Cash Manager) on the Initial Issue Date and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory.

4. Registered office

The Issuer shall maintain its registered office in Jersey and will not move its registered office to another jurisdiction.

5. Board meetings, management and administration

The Issuer shall hold all meetings of the board of directors of the Issuer in the United Kingdom and not hold any such meeting outside the United Kingdom and procure that the Issuer's management, the places of residence of the directors of the Issuer and the place where the Issuer's interests are administered on a regular basis are all, at all times, situated in the United Kingdom.

6. No foreign branches

The Issuer will not take any action (save to the extent necessary for the Issuer to comply with its obligations under the Issuer Transaction Documents) which will cause its “centre of main interests” (as that term is defined in article 3(1) of the EU Insolvency Regulation) to be located in any jurisdiction other than the United Kingdom or Jersey and will not establish any offices, branches or other permanent establishments (as defined in the EU Insolvency Regulation) or register as a Company in any jurisdiction other than the United Kingdom or Jersey.

7. Financial statements

- 7.1 The Issuer shall cause to be prepared in respect of each of its financial years, financial statements in such form as will comply with the requirements for the time being of the Companies (Jersey) Law 1991, as amended.
- 7.2 The Issuer shall supply to the Issuer Cash Manager and the Bond Trustee two copies each of (a) its audited financial statements, and related auditors' opinion, within 180 days after the end of the preceding financial year (such financial statements to comprise profit and loss account, balance sheet and cashflow statement) and (b) its unaudited financial statements for the first financial half-year in each finance year within 180 days after the end of such financial half-year (such financial statements to comprise profit and loss account, balance sheet and cashflow statement for such financial half-year).
- 7.3 The Issuer shall on each Reporting Date falling in June and otherwise forthwith on request by the Bond Trustee deliver a certificate signed by two directors of the Issuer stating that no Bond Event of Default has occurred (or, if such is not the case, specifying the particulars of any Bond Event of Default).

8. General negative covenants

- 8.1 The Issuer shall not until after the final maturity date, save to the extent permitted or contemplated by the Issuer Transaction Documents or with the prior written consent of the Bond Trustee:
- 8.1.1 enter into any documents;
- 8.1.2 sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same;
- 8.1.3 grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets other than pursuant to the Issuer Deed of Charge; or
- 8.1.4 pay dividends or make other distributions to its members (other than from any surplus money available to it from the Issuer Payment Priorities) and then only in the manner permitted by its Memorandum and Articles of Association and by applicable laws.
- 8.2 incur or permit to subsist any indebtedness whatsoever;

- 8.3 make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person;
- 8.4 consolidate or merge with any other person;
- 8.5 be treated as a member of any VAT Group other than, on the Initial Issue Date, the VAT Group with registration number 653 0947 31 of which BAA Limited is the representative member, and from the day after the Initial Issue Date to the day which is three months after such day, the VAT Group with pending registration number of which HAL will be the representative member;
- 8.6 surrender any losses to any other company;
- 8.7 have any employees or premises or have any subsidiary undertaking (as defined in the Companies Act) or become a director of any company;
- 8.8 have an interest in any bank account other than the Issuer Accounts unless such account or interest is charged to the Bond Trustee on terms acceptable to it;
- 8.9 amend, supplement or otherwise modify its Memorandum and Articles of Association; and
- 8.10 permit the validity or effectiveness of the Trust Documents or of the Issuer Security to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

Part 2
General Covenants

1. Restricted business of Issuer

The Issuer must not (except as otherwise permitted or contemplated by the Issuer Transaction Documents):

- (a) carry on or transact any business other than (i) the raising of funds to provide debt financing to the Borrowers in accordance with the Issuer Transaction Documents or (ii) enter into the Issuer Liquidity Facility Agreement(s) or any Hedging Agreement in accordance with the Hedging Policy;
- (b) own any asset or incur any Liabilities except as required for the purposes of carrying on that business in accordance with the Issuer Transaction Documents; or
- (c) suspend, abandon or cease to carry on its business.

2. Authorisations

The Issuer must:

- (a) promptly obtain and maintain in full force and effect all governmental and regulatory consents, licences, material authorisations and approvals required for the conduct of its business; and
- (b) do all such things as are necessary to maintain its corporate status,

in each case where failure to do so would be reasonably expected to have a Material Adverse Effect or, in the case of Paragraph 2(b) above only, which would otherwise adversely affect the Security Interests of the Issuer Secured Creditors.

3. Compliance with laws

The Issuer shall use reasonable endeavours to comply in all material respects with all judgments, laws, rules, regulations, agreements, orders or decrees to which it is subject and which, if violated and enforced would be reasonably likely to have a Material Adverse Effect.

4. Compliance with Issuer Transaction Documents

The Issuer shall at all times comply with and perform all its obligations under the Issuer Transaction Documents and the Bonds save where non-compliance would not lead to a Material Adverse Effect.

5. Exercise rights

The Issuer shall preserve and/or exercise and/or enforce its rights under and pursuant to the Bonds and the Issuer Transaction Documents.

6. Dealing With Bond Trustee

- 6.1 The Issuer shall upon reasonable notice, during normal business hours allow the Bond Trustee and any persons appointed by the Bond Trustee access to such books of account and other business records as relate to the assigned rights or the benefit of the assigned rights as the Bond Trustee or any such persons may reasonably require.
- 6.2 So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall at all times give to the Bond Trustee such information, opinions, certificates and other evidence as the Bond Trustee and any persons appointed by the Bond Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Bond Trustee by or pursuant to this Bond Trust Deed or any other Issuer Transaction Document.

7. Notification of breach of Issuer Warranties and undertakings

The Issuer shall immediately notify the Issuer Cash Manager and the Bond Trustee if the Issuer becomes aware of any breach of any representation made by it pursuant to Clause 5 (*Representations and Warranties*) of the Bond Trust Deed or of any breach of any undertaking given by the Issuer in any Issuer Transaction Document.

8. Legal proceedings

- 8.1 The Issuer shall, if any legal proceedings are instituted against it by any of its creditors or in respect of any of the assigned rights, including any litigation or claim calling into question in any material way the Issuer's interest therein, immediately:

8.1.1 notify the Issuer Cash Manager and the Bond Trustee of such proceedings; and

8.1.2 notify the court and any receiver appointed in respect of the property the subject of such proceedings of the interests of the Bond Trustee in the assigned rights.

- 8.2 The Issuer shall, if the Bond Trustee acting reasonably so requires, join in any legal proceedings brought by the Bond Trustee against any person.

9. Execution of further documents

The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acts and things as the Bond Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Issuer Transaction Documents.

10. Further Assurance

The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each necessary act, document and thing requested of it by the Bond Trustee or any Receiver appointed pursuant to Clause 18 (*Appointment and Removal of Administrator and Receiver*) of the Issuer Deed of Charge, in each case, acting reasonably in relation to the Issuer Security (including, without limitation, the giving of notices of assignment and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Issuer Security from time to time and at any time after the Issuer Security or any part thereof has become enforceable, shall do and execute, or arrange for the doing and executing of, each necessary act, document and

thing within its power and as may be requested of it by the Bond Trustee or any Receiver for facilitating the realisation of, or enforcement of rights in respect of, all or any of the Issuer Charged Property and the exercise of all rights vested in the Bond Trustee or in any Receiver in respect of all or any of such Issuer Security.

11. **Notification of Bond Event of Default**

The Issuer shall deliver notice to the Bond Trustee forthwith upon becoming aware of any Bond Event of Default without waiting for the Bond Trustee to take any further action.

12. **No Security Interests**

The Issuer shall not create or permit to subsist any Security Interest in respect of any Issuer Account or any assets of the Issuer other than pursuant to the Issuer Deed of Charge.

13. **No variation and termination of Issuer Transaction Documents**

13.1 The Issuer shall not until the final maturity date, save to the extent permitted by the Issuer Transaction Documents or with the prior written consent of the Bond Trustee:

13.1.1 terminate, repudiate, rescind or discharge any Issuer Transaction Document;

13.1.2 vary, novate, amend, modify or waive any provision of any Issuer Transaction Document;

13.1.3 permit any person to do any of the things specified in Paragraph 13.1.1 or 13.1.2; or

13.1.4 permit any person who has obligations under the Issuer Transaction Documents to be released from such obligations other than in accordance with the terms of the applicable Issuer Transaction Document and any applicable requirement of law or regulatory direction.

14. **Filings**

The Issuer shall effect all Required Filings in respect of the Issuer and file, record or enrol each Issuer Transaction Document required to be filed, recorded or enrolled with any court or other authority in the United Kingdom and Jersey and ensure that such required filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable requirement of law or regulatory direction.

15. **Payments**

The Issuer shall pay moneys payable by it to the Bond Trustee under this Bond Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Bond Trustee of the amount which would otherwise have been payable by it to the Bond Trustee hereunder.

16. **Further action**

The Issuer shall perform any act incidental to or necessary in connection with the other covenants contained in Parts 1 or 2 of this Schedule or any act required by any law, regulation or order of any court to be performed.

17. **Hedging**

The Issuer shall, at all times, maintain compliance with the Hedging Policy.

18. **Listing**

The Issuer shall at all times use reasonable endeavours to procure the admission of all listed Wrapped Bonds and all Unwrapped Bonds to the Official List and to trading on the London Stock Exchange, or any additional stock exchange as may be agreed by the Issuer and the Relevant Dealers for a particular issue from time to time, and in each case, to maintain such admission until none of the relevant listed Bonds are outstanding. If the Issuer is unable to maintain the listing having used all reasonable endeavours or if the maintenance of such listing is agreed by the Bond Trustee to be unduly burdensome or impractical, the Issuer shall use reasonable endeavours to obtain and maintain a listing of the Bonds on such other stock exchange(s) or securities market(s) as the Issuer may (with the approval of the Bond Trustee) decide and give notice of the identity of such other stock exchange(s) or securities market(s) to the Bondholders.

19. **Ascertaining the amount outstanding of the Bonds**

The Issuer shall, upon receiving a written request from the Bond Trustee, deliver to the Bond Trustee a certificate of the Issuer setting out, *inter alia*, details of the aggregate principal amount outstanding under the outstanding Bonds which, for the time being, are held by the Issuer, any member of the Security Group or the Non-Designated Group, or any of their respective holding companies (or any Affiliate (as such term is used in the definition of “outstanding”) of any such person) or by any person for the benefit of the Issuer, any member of the Security Group or the Non-Designated Group, or any of their respective holding companies (or any Affiliate (as such term is used in the definition of “outstanding”) of any such person).

20. **Notices to Bondholders**

The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Bond Trustee, for the Bond Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Bond Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval for the purpose of Section 21 of the FSMA of such notice as an investment advertisement (as therein defined)).

21. **Notification of non-payment**

The Issuer shall use reasonable endeavours to procure that the Principal Paying Agent notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment

in respect of the Bonds of any Series receive unconditionally the full amount in the relevant currency of the monies payable on such due date;

22. **Notification of late payment**

The Issuer shall forthwith give notice to the Bondholders of payments of any sum due in respect of the Bonds, the Coupons or the Receipts made after their due date to the Principal Paying Agent or the Bond Trustee.

23. **Notification of redemption or payment**

The Issuer shall, not less than the number of days specified in the relevant Condition, prior to the redemption or payment date in respect of any Bond, give to the Bond Trustee notice in writing of the amount of such redemption or payment pursuant to the Conditions.

24. **Redemption**

The Issuer shall, if it gives notice that it intends to redeem the Bonds pursuant to Conditions 8(d) (*Optional Redemption*), 8(e) (*Redemption for Index Event, Taxation and Other Reasons*), 8(f) (*Redemption on Prepayment of Borrower Loan Agreements*), 8(g) (*Early Redemption on exercise of Subordinated Creditor Call Option*) or 8(h) (*Early redemption following Loan Enforcement Notice*) prior to giving such notice to the Bondholders, provide such information to the Bond Trustee and the Relevant Financial Guarantors as the Bond Trustee and the Relevant Financial Guarantors require in order to satisfy themselves of the matters referred to in those Conditions, including:

- (a) written notice to the Bond Trustee of the relevant Sub-Class or Sub-Classes of Bonds which it intends to redeem and the amount of such redemption or repayment; and
- (b) a certification signed by an Authorised Signatory of the Issuer certifying that the Issuer will have the necessary funds on the date on which redemption is to occur to discharge all its liabilities due on such date.

25. **Liability to Tax**

The Issuer shall promptly give notice to the Bond Trustee:

- (a) if it is required by law to effect a deduction or withholding of Tax in respect of any payment due in respect of any Bonds listed on a recognised stock exchange (within the meaning of section 1005 of the Tax Act 2007); or
- (b) if an Issuer Hedge Counterparty is required to make a deduction or withholding of Tax in respect of any payment due under the relevant Issuer Hedging Agreement,

and in both cases take such action as may be required by the Bond Trustee and Borrower Security Trustee acting reasonably in respect thereof.

26. **Rating Agencies**

The Issuer shall, while any of the Bonds remain outstanding, give notice, or procure that notice is given, to each of the Rating Agencies of:

- (a) any proposed amendment to the Issuer Transaction Documents other than amendments that the Bond Trustee considers to be of a formal, minor or technical nature or made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order;
- (b) the Bonds of any Series being repaid in full;
- (c) the termination of the appointment of the Issuer Cash Manager;
- (d) the appointment of a new or replacement Bond Trustee or the appointment of any new or replacement Agents;
- (e) any Bond Event of Default; and
- (f) taking of any Enforcement Action,

in each case, promptly after the Issuer becoming aware of the same. The Issuer shall also send, or procure the sending of, a copy of all notices, written information and reports that it provides to Bondholders of any Class or Sub-Class of Bonds to each of the Rating Agencies promptly after such information is provided to the Bondholders of any Class or Sub-Class of Bonds. The Issuer hereby acknowledges in favour of the Bond Trustee and the Rating Agencies that any information that should be communicated to the Rating Agencies pursuant to the preceding sentence is not covered by any duty of confidentiality on the part of the Bond Trustee which would prevent the Bond Trustee delivering this information to any Rating Agency, on its request, provided that (i) the Issuer has first failed to deliver such information to a Rating Agency and (ii) the Bond Trustee has such information in its possession.

27. **Obligations of agents**

The Issuer shall observe and comply with its obligations, and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations, under the Agency Agreement and, if any Registered Bonds are outstanding, to procure that the Registrar maintains the Register and to notify the Bond Trustee immediately if it becomes aware of any material breach or failure by an Agent in relation to the Bonds.

28. **Change of agents**

The Issuer shall give not less than 30 days' prior notice to the Bondholders in accordance with Condition 17 (*Notices*) of any future appointment or any resignation or removal of any Agent or of any change by any Agent of its specified office save that, in the case of automatic removal of an Agent by virtue of insolvency, the Issuer shall give notice to the Bondholders as soon as reasonably practicable thereafter.

29. **Change of taxing jurisdiction**

The Issuer shall if, before an Interest Payment Date for any Bond, the Issuer becomes subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom, immediately upon becoming aware thereof, notify the Bond Trustee of such event and (unless the Bond Trustee otherwise agrees) enter forthwith into a deed supplemental to the

Bond Trust Deed with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, to which the Issuer becomes subject as aforesaid.

30. **Notification of change to Dealership Agreement**

The Issuer shall notify the Bond Trustee of any amendment to the Dealership Agreement.

31. **Investment Company Act**

The Issuer will, for so long as any Bonds are outstanding, take, or cause to be taken, such actions as are required in order for the Issuer to qualify for, and maintain such qualification for, exemption from registration as an “investment company” under the Investment Company Act.

32. **Available Information**

The Issuer shall, upon the request of any holder or beneficial owner of any Rule 144A Bond or prospective purchaser of any Rule 144A Bond designated by such holder or beneficial owner, promptly furnish the information required to be provided by Rule 144A(d)(4) under the Securities Act; provided however, that the Issuer will not be required to furnish any such information if at the time of such request the Issuer is a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to this paragraph shall also be made available during the usual business hours free of charge at the office of the Transfer Agent.

33. **U.S. activities**

The Issuer shall not engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business with the United States as determined under United States income tax principles.

34. **Mandatory Prepayments**

If a Borrower gives notice to the Issuer under a Borrower Loan Agreement that it intends to prepay all or part of any advance made under such Borrower Loan Agreement following a Designated Airport Disposal after the occurrence of a Trigger Event which is continuing and following the date on which an amount equal to the initial aggregate amount drawn under the Refinancing Facility has been repaid to the Refinancing Facility Providers, the Issuer shall (a) offer the Modified Redemption Amount or, as the case may be, Par Redemption Amount to the holders of the relevant Class or Sub-Class of Call Protected Floating Rate Bonds, Fixed Rate Bonds and/or Indexed Bonds and (b) convene (or procure the convening of) a meeting of the holders of such Bonds for the purpose of voting on such offer.

SCHEDULE 3

FORMS OF GLOBAL AND DEFINITIVE BONDS, RECEIPTS, COUPONS AND TALONS

Part 1

Form of Temporary Global Bond

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “U.S. PERSON”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “U.S. RESIDENT”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

LHR Airports Limited

(incorporated with limited liability in England and Wales)^{1]}

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])^{2]}

TEMPORARY GLOBAL BOND

1. INTRODUCTION

1.1 The Bonds

This Temporary Global Bond is issued in respect of the bonds (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) described in the Final Terms (the “**Final Terms**”) a copy of which is annexed hereto. The Bonds:

- 1.1.1 *[Financial Guarantee:* are unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest pursuant to a financial guarantee (and the endorsement thereto) dated [•] (the “**Financial Guarantee**”) to be issued by *[insert name of financial guarantor]*];³
- 1.1.2 *[Bond Guarantee:* are unconditionally and irrevocably guaranteed by LHR Airports Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee dated [•] 2008 (the “**BAA Bond Guarantee**”);⁴ and
- 1.1.3 *Agency Agreement:* are the subject of an issue and paying agency agreement dated 18 August 2008 (the “**Agency Agreement**”) made between, *inter alios*, the Issuer, the Bond Guarantor and Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any additional or successor paying agents appointed from time to time in connection with the Bonds) and the other agents named therein.

¹ Delete for Bonds other than BAA Guaranteed Bonds.

² Delete for Bonds other than Wrapped Bonds.

³ Delete for Unwrapped Bonds.

⁴ Delete for Bonds other than BAA Guaranteed Bonds.

1.2 Construction

All references in this Temporary Global Bond to an agreement, instrument or other document (including the Agency Agreement [and the Financial Guarantee]⁵ [and the BAA Bond Guarantee]⁶) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Temporary Global Bond.

1.3 References to Conditions

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Bonds set out in Schedule 4 (*Terms and Conditions of the Bonds*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. This Temporary Global Bond is issued pursuant to a bond trust deed (as supplemented, amended or replaced) (the “**Bond Trust Deed**”) dated 18 August 2008 as supplemented by a first supplemental bond trust deed dated 13 January 2012, a second supplemental bond trust deed dated 18 October 2013, a third supplemental bond trust deed dated 15 December 2014, a fourth supplemental bond trust deed dated 22 January 2016, a fifth supplemental bond trust deed dated [•] 2017 [and a [•] supplemental bond trust deed dated [•]] and made between, *inter alios*, the Issuer, the Bond Guarantor and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) which expression shall include any person or corporation from time to time appointed as bond trustee. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Bond.

2. PROMISE TO PAY

The Issuer, for value received, promises to pay to the bearer of this Temporary Global Bond, in respect of each Bond represented by this Temporary Global Bond, the principal amount then represented by this Temporary Global Bond (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal [(or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become so due and payable)]¹ on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Bond on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions; *provided, however, that* such interest shall be payable only:

- 2.1 *Before the Exchange Date:* in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking,

⁵ Delete for Unwrapped Bonds.

⁶ Delete for Bonds other than BAA Guaranteed Bonds.

¹ Insert for Instalment Bonds only.

société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the specified office of the Principal Paying Agent; or

2.2 *Failure to exchange*: in the case of interest falling due at any time, if the Issuer has failed to procure the exchange for a permanent global bond of that portion of this Temporary Global Bond in respect of which such interest has accrued, to the extent that a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the specified office of the Principal Paying Agent.

3. **NEGOTIABILITY**

This Temporary Global Bond is negotiable and, accordingly, title to this Temporary Global Bond shall pass by delivery.

4. **EXCHANGE**

4.1 **Permanent Global Bond**

If the relevant Final Terms specifies the form of Bonds as being “Temporary Global Bond exchangeable for a Permanent Global Bond”, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Bond (the “**Exchange Date**”), the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Bond (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement to the bearer of this Temporary Global Bond or (in the case of any subsequent exchange) an increase in the principal amount of the existing Permanent Global Bond in accordance with its terms against:

4.1.1 *Presentation and surrender*: presentation and (in the case of final exchange) surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent; and

4.1.2 *Certification*: receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto,

within 7 days of the bearer requesting such change.

The principal amount of the Permanent Global Bond shall be equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Bond exceed the initial principal amount of this Temporary Global Bond and any Temporary Global Bond representing a Sub-Class of Bonds which is fungible with the Sub-Class of Bonds represented by the first Temporary Global Bond.

4.2 **Definitive Bonds; Not D Rules**

If the Final Terms specifies the form of Bonds as being “Temporary Global Bond exchangeable for Definitive Bonds” and also specifies that the C Rules of the U.S. Tax Equity and Fiscal Responsibility Act 1982 (“TEFRA”) are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Bond (the “**Exchange Date**”), the Issuer shall, within 30 days of the bearer requesting such exchange, procure the delivery of Definitive Bonds (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement with Coupons, Receipts and Talons (if so specified in the Final Terms) attached and in an aggregate principal amount equal to the principal amount of this Temporary Global Bond to the bearer of this Temporary Global Bond against presentation and surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent.

4.3 **Definitive Bonds; D Rules**

If the Final Terms specifies the form of Bonds as being “Temporary Global Bond exchangeable for Definitive Bonds” and also specifies that the TEFRA D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Global Bond (the “**Exchange Date**”), the Issuer shall, within 30 days of the bearer requesting such exchange, procure the delivery of Definitive Bonds (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement with Coupons, Receipts and Talons (if so specified in the Final Terms) attached against:

- 4.3.1 *Presentation and surrender:* presentation and (in the case of final exchange) surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent; and
- 4.3.2 *Certification:* receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The Definitive Bonds so delivered from time to time shall be in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the aggregate principal amount of Definitive Bonds so delivered exceed the initial principal amount of this Temporary Global Bond.

4.4 **Registered Bonds**

If the Final Terms specifies the form of Bonds as being “Temporary Global Bond exchangeable for Registered Bonds” then the Issuer shall procure:

- 4.4.1 in the case of an exchange for a Regulation S Global Bond Certificate:

- (i) (in the case of first exchange) delivery of such Regulation S Global Bond Certificate in accordance with the Conditions and the Agency Agreement to the bearer of this Temporary Global Bond; or
- 4.4.2 (in the case of any subsequent exchange) an increase in the principal amount of the Regulation S Global Bond Certificate in accordance with its terms; or
- 4.4.3 in the case of an exchange for Regulation S Individual Bond Certificates, the delivery of the Regulation S Individual Bond Certificates in accordance with the Conditions and the Agency Agreement,

in each case within 30 days of the bearer requesting such exchange upon presentation or surrender of this Temporary Global Bond to the Principal Paying Agent at its specified office and without any requirements to provide certificates upon such presentation or, as the case may be, surrender;

provided, however, that in no circumstances shall the aggregate principal amount of Registered Bonds so delivered exceed the initial principal amount of this Temporary Global Bond and any Temporary Global Bond representing a Sub-Class of Bonds which is fungible with the Sub-Class of Bonds represented by the first Temporary Global Bond.

5. **WRITING DOWN**

On each occasion on which:

- 5.1 *Permanent Global Bond:* the Permanent Global Bond is delivered or the principal amount thereof is increased in accordance with its terms in exchange for a further portion of this Temporary Global Bond; or
- 5.2 *Definitive Bonds:* Definitive Bonds are delivered in exchange for this Temporary Global Bond; or
- 5.3 *Registered Bonds:* Registered Bonds are delivered or the principal amount of any Global Bond Certificate is increased in accordance with its terms in exchange for a further portion of this Temporary Global Bond;
- 5.4 *Cancellation:* Bonds represented by this Temporary Global Bond are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*),

the Issuer shall procure that (a) the principal amount of the Permanent Global Bond, the principal amount of such Registered Bonds, the principal amount of such increase or (as the case may be) the aggregate principal amount of such Bonds and (b) the remaining principal amount of this Temporary Global Bond (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (a)) are noted in Schedule 1 (*Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond, Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Temporary Global Bond shall for all purposes be as most recently so noted.

6. PAYMENTS

- 6.1 All payments in respect of this Temporary Global Bond shall be made against presentation and (in the case of payment of principal of the Bonds in full with all interest accrued on the Bonds) surrender of this Temporary Global Bond at the specified office of any Paying Agent and shall be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Bonds. On each occasion on which a payment of interest is made in respect of this Temporary Global Bond, the Issuer shall procure that the same is noted in Schedule 1 (*Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond, Exercise of Options and Cancellation of Bonds*) hereto.
- 6.2 The bearer of this Temporary Global Bond shall not (unless, upon due presentation of this Temporary Global Bond for exchange (in whole or in part) for a Permanent Global Bond or for delivery of Definitive Bonds and/or Individual Bond Certificates, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment of interest in respect of the Bonds represented by this Temporary Global Bond which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- 6.3 All payments on the Temporary Global Bond will be made only outside the United States and upon presentation of this Temporary Global Bond at the specified office of any of the Paying Agents outside (unless Condition 9(c) (*Payments in the United States of America*) applies) the United States and upon and to the extent of delivery to the relevant Paying Agent of a certificate pursuant to paragraph 2.1 above.

7. CONDITIONS APPLY

- 7.1 Until this Temporary Global Bond has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Temporary Global Bond shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Bonds and any related Coupons, Receipts and Talons in the smallest specified denomination and in an aggregate principal amount equal to the principal amount of this Temporary Global Bond.
- 7.2 The bearer of this Temporary Global Bond and, *inter alia*, the Bond Trustee are restricted in the proceedings which they may take against the Issuer to enforce their rights hereunder and under the Bond Trust Deed, as more particularly described in the Conditions and the Bond Trust Deed.

8. NOTICES

Notwithstanding Condition 17 (*Notices*), while (a) all the Bonds are represented by this Temporary Global Bond, or by this Temporary Global Bond and the Permanent Global Bond or by this Temporary Global Bond and the Global Bond Certificate and (b) this Temporary Global Bond is, or this Temporary Global Bond and the Permanent Global Bond are or this Temporary Global Bond and the Global Bond Certificate are, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Bondholders

may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

9. **MEETINGS**

While all the Bonds are represented by this Temporary Global Bond, or by this Temporary Global Bond and the Permanent Global Bond or by this Temporary Global Bond and the Global Bond Certificate, the holder of this Temporary Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of this Temporary Global Bond shall be treated as having one vote in respect of each minimum denomination of Bonds for which this Temporary Global Bond may be exchanged.

10. **RECORD DATE**

Each payment in respect of any Bond represented by this Temporary Global Bond will be made to the person shown as the holder of this Temporary Global Bond at the close of business on the Clearing System Business Day before the due date for payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each Clearing System for which this Temporary Global Bond is being held is open for business.

11. **BUSINESS DAY**

Notwithstanding the definition of “Business Day” in Condition 6(i) (*Definitions*) and the definition of “business day” in Condition 9(g) (*Non-Business Days*), while all the Bonds are represented by this Temporary Global Bond, or by this Temporary Global Bond and the Permanent Global Bond or by this Temporary Global Bond and the Global Bond Certificate and such Global Bond or Global Bond Certificate is held on behalf of Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System, “**Business Day**” and “**business day**” shall mean:

- a) if the currency of payment is euro, any day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus; or
- b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus.

12. **REDENOMINATION**

If the Bonds are redenominated pursuant to Condition 19 (*European Economic and Monetary Union*), then following redenomination and subject always to the terms of Condition 19 (*European Economic and Monetary Union*):

- 12.1 *Denominations*: if Definitive Bonds or Individual Bond Certificates are required to be issued, they shall be issued in euro in such denominations as the Principal Paying Agent shall determine and notify to the Bondholders; and

12.2 *Calculation of interest:* the amount of interest due in respect of Bonds represented by this Temporary Global Bond will be calculated by reference to the aggregate principal amount of such Bonds and the amount of such payment shall be rounded down to the nearest euro 0.01.

13. **AUTHENTICATION**

This Temporary Global Bond shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as principal paying agent.

14. **GOVERNING LAW**

This Temporary Global Bond and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

HEATHROW FUNDING LIMITED

By:

[facsimile/manual signature]

(duly authorised)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of

DEUTSCHE BANK AG, LONDON BRANCH

as Principal Paying Agent
without recourse, warranty or liability

By:

[manual signature]

(duly authorised)

Schedule 1

Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond, Exercise of Options and Cancellation of Bonds

Date of payment, delivery, further exchange of Temporary Global Bond, exercise of option (and date upon which exercise is effective) or cancellation	Amount of interest then paid	Amount of principal then paid or redeemed	Aggregate Principal Amount of Definitive Bonds or Registered Bonds then delivered	Aggregate Principal Amount of Bonds then cancelled	Aggregate Principal Amount of further exchanges of Temporary Global Bonds	Aggregate Principal Amount in respect of which option is exercised	Current Principal Amount of this Global Bond	Authorised signature by or on behalf of the Principal Paying Agent

Schedule 2

Form of Accountholder's Certification

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[*currency*][*amount*]

[*title of Bonds*]

[**guaranteed by**

LHR AIRPORTS LIMITED

(incorporated in England and Wales with limited liability)]⁷

[**guaranteed by**

[**name of Financial Guarantor**

(incorporated with [limited liability] in [jurisdiction])⁸

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States persons**”), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(b)(3) of Regulation S under the Securities Act of 1933, as amended (the “**Act**”), then this is also to certify that, except as set forth below, the Securities are beneficially owned by (1) non-U.S. person(s) or

⁷ Delete for Bonds other than BAA Guaranteed Bonds.

⁸ Delete for Bonds other than Wrapped Bonds.

Schedule 3

Form of Euroclear/Clearstream, Luxembourg Certification

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[title of Bonds]

[guaranteed by

LHR AIRPORTS LIMITED

(incorporated in England and Wales with limited liability)]⁹

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])¹⁰

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our “**Member Organisations**”) substantially to the effect set forth in the temporary global Bond in respect of the Securities the form of which is set out in Schedule 2 to the Bond Trust Deed in relation to the Bonds issued in respect of the securities, as of the date hereof, [currency] [amount] principal amount of the above-captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States persons**”), (b) is owned by United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired

⁹ Delete for Bonds other than BAA Guaranteed Bonds.

¹⁰ Delete for Bonds other than Wrapped Bonds.

the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(b)(3) of Regulation S under the Securities Act of 1933, as amended (the "**Act**"), then this is also to certify with respect to the principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion substantially to the effect set forth in the temporary global Bond issued in respect of the Securities.

We further certify (1) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global security excepted in such certifications and (2) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Dated: []

Euroclear Bank S.A./N.V.

as operator of the Euroclear System

or

Clearstream Banking, société anonyme, Luxembourg

By:

Authorised signatory

Schedule 4

Terms and Conditions of the Bonds

*The following is the text of the terms and conditions which (subject to completion in accordance with the provisions of the relevant Final Terms (as defined below) and, save for the italicised paragraphs) will be incorporated by reference into each Global Bond (as defined below) representing Bonds (as defined below) in bearer form, Bonds in definitive form (if any) issued in exchange for the Global Bond(s) representing Bonds in bearer form, each Global Bond Certificate (as defined below) representing Bonds in registered form and each Individual Bond Certificate (as defined below) representing Bonds in registered form (only if such incorporation by reference is permitted by the rules of the relevant stock exchange and agreed by the Issuer). If such incorporation by reference is not so permitted and agreed, each Bond in bearer form and each Individual Bond Certificate representing Bonds in registered form will have endorsed thereon or attached thereto such text (as so completed). Further information with respect to each Tranche (as defined below) of Bonds will be given in the relevant Final Terms which will provide for those aspects of these Conditions which are applicable to such Tranche (as defined below) of Bonds, including, in the case of Wrapped Bonds (as defined below), the form of Financial Guarantee (as defined below) and endorsement. If a Relevant Financial Guarantor (as defined below) is appointed in relation to any Sub-Class of Wrapped Bonds, a Drawdown Prospectus will be produced providing such information about such Relevant Financial Guarantor as may be required by the rules of the UK Listing Authority or the London Stock Exchange. References in the Conditions to “**Bonds**” are as the context requires, references to the Bonds of one Sub-Class only, not to all Bonds which may be issued under the Programme. The Issuer does not intend to issue any Bonds with a LHR Bond Guarantee under this Prospectus.*

Heathrow Funding Limited (the “**Issuer**”) has established a bond programme (the “**Programme**”) for the issuance of wrapped bonds (the “**Wrapped Bonds**”) and unwrapped bonds (the “**Unwrapped Bonds**” (together with the Wrapped Bonds, the “**Bonds**”). Bonds issued under the Programme on a particular Issue Date comprise a Series (a “**Series**”), and each Series comprises one or more Classes of Bonds (each a “**Class**”). Each Class may comprise one or more sub-classes (each a “**Sub-Class**”) and each Sub-Class comprises one or more tranches (each a “**Tranche**”).

The Wrapped Bonds will be designated as “**Class A Wrapped Bonds**” or “**Class B Wrapped Bonds**”. The Unwrapped Bonds will be designated as “**Class A Unwrapped Bonds**” (and together with the Class A Wrapped Bonds, the “**Class A Bonds**”) or “**Class B Unwrapped Bonds**” (and together with the Class B Wrapped Bonds, the “**Class B Bonds**”). Under the Programme, the Issuer may issue Bonds in one or more classes which rank in point of payment and security subordinate to the Class A Bonds and the Class B Bonds (the “**Subordinated Bonds**”). Each Sub-Class will be denominated in different currencies or have different interest rates, maturity dates or other terms. Bonds of any Class may be zero coupon (“**Zero Coupon Bonds**”), fixed rate (“**Fixed Rate Bonds**”), floating rate (“**Floating Rate Bonds**”), index-linked (“**Indexed Bonds**”) or instalment bonds (“**Instalment Bonds**”).

depending on the method of calculating interest payable in respect of such Bonds and may be denominated in sterling, euro, U.S. dollars, Canadian dollars, Australian dollars, Swiss francs, Norwegian krone, Japanese yen, Singapore dollars, Hong Kong dollars, Swedish krona or in other currencies subject to compliance with applicable law. Certain Sub-Classes of Bonds novated to the Issuer by LHR Airport Limited will be guaranteed as to payments of interest and principal by LHR Airport Limited in its capacity as “**Bond Guarantor**” and such Bonds will be designated as LHR Guaranteed Bonds.

The terms and conditions applicable to any particular Sub-Class of Bonds are these terms and conditions (“**Conditions**”) as completed by a set of final terms in relation to such Sub-Class (“**Final Terms**”).

The Bonds will be subject to and have the benefit of a bond trust deed dated the Initial Issue Date (as defined below) as the same may be amended, supplemented, restated and/or novated from time to time, (the “**Bond Trust Deed**”) between the Issuer, each financial guarantor which accedes to the Bond Trust Deed (each, a “**Relevant Financial Guarantor**”) and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”, which expression includes the trustee or trustees for the time being of the Bond Trust Deed).

The Class A Wrapped Bonds and the Class B Wrapped Bonds alone will be unconditionally and irrevocably guaranteed as to scheduled or ultimate payments of principal and interest (as adjusted for indexation, as applicable, but excluding any additional amounts relating to premium, prepayment or acceleration, accelerated amounts and amounts (if any) by which, in the case of Fixed Rate Bonds or Indexed Bonds (other than deferred interest), the Coupons (as defined below) exceed the initial Coupons on such Sub-Class as at the relevant Issue Date (as defined in Condition 6(i) (*Definitions*)), and, in the case of Floating Rate Bonds, the Coupons (as defined below) exceed the initial Coupons on such Sub-Class as at the relevant Issue Date (as defined in Condition 6(i) (*Definitions*)) (in each case, the “**Subordinated Step-up Fee Amounts**”), all such amounts being the “**FG Excepted Amounts**”) pursuant to a financial guarantee (each, a “**Financial Guarantee**”) to be issued by a Relevant Financial Guarantor (each such Relevant Financial Guarantor being a “**Financial Guarantor**”) in conjunction with the issue of each Sub-Class of Bonds.

Neither of the Class A Unwrapped Bonds or the Class B Unwrapped Bonds will have the benefit of any such Financial Guarantee.

The Bonds have the benefit (to the extent applicable) of an agency agreement (as amended, supplemented and/or restated from time to time) to be dated on or before the date upon which the first Series of Bonds is issued by the Issuer (the “**Initial Issue Date**”) (to which, among others, the Issuer, the Bond Trustee, the Principal Paying Agent and the other Paying Agents (in the case of Bearer Bonds) or the Transfer Agents and the Registrar (in the case of Registered Bonds) are party) and, if applicable, any additional or supplemental paying agency agreement dated on or after the Initial Issue Date between the Issuer and any additional Agent referred to therein (the “**Agency Agreement**”). As used herein, each of “**Principal Paying Agent**”, “**Paying Agents**”, “**Exchange Agent**”, “**Agent Bank**”, “**Transfer Agent**” and/or

“**Registrar**” means, in relation to the Bonds, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Exchange Agent, Agent Bank, Transfer Agent and/or Registrar, respectively, and, in each case, any successor or additional paying agent or other agent appointed pursuant to an Agency Agreement, including, for the avoidance of doubt, any agent appointed pursuant to Condition 9(e). The Bonds may also have the benefit (to the extent applicable) of a calculation agency agreement (in the form or substantially in the form of schedule 1 to the Agency Agreement, the “**Calculation Agency Agreement**”) between, inter alia, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the “**Calculation Agent**”).

On or about the Initial Issue Date, the Issuer entered into a deed of charge (the “**Issuer Deed of Charge**”) with the Bond Trustee as security trustee, pursuant to which the Issuer will grant certain fixed and floating charge security (the “**Issuer Security**”) to the Bond Trustee for itself and on behalf of the Bondholders, each Relevant Financial Guarantor, each Issuer Hedge Counterparty, each Issuer Liquidity Facility Provider, the Principal Paying Agent, each Paying Agent, the Exchange Agent, the Calculation Agent (if any), the Transfer Agent, the Registrar, the Bond Guarantor, the Issuer Account Bank, the Agent Bank, the Issuer Cash Manager and the Issuer Corporate Administration Provider (together, the “**Issuer Secured Creditors**”).

On the Initial Issue Date, the Issuer entered into a Dealership Agreement (the “**Dealership Agreement**”) with the dealers named therein (the “**Dealers**”) in respect of the Programme, pursuant to which any of the Dealers may enter into a subscription agreement (each a “**Subscription Agreement**”) in relation to each Sub-Class of Bonds issued by the Issuer, and pursuant to which the Dealers will agree to subscribe for the relevant Sub-Class of Bonds. In any Subscription Agreement relating to a Sub-Class of Bonds, any of the Dealers may agree to procure subscribers to subscribe for the relevant Sub-Class of Bonds.

The Issuer may enter into liquidity facility agreements (together, the “**Issuer Liquidity Facility Agreements**”) with certain liquidity facility providers (together, the “**Issuer Liquidity Facility Providers**”) pursuant to which the Issuer Liquidity Facility Providers agree to make certain facilities available to meet liquidity shortfalls.

The Issuer may enter into certain currency, inflation-linked and interest rate hedging agreements (together, the “**Issuer Hedging Agreements**”) with certain hedge counterparties (together, the “**Issuer Hedge Counterparties**”) in respect of certain Sub-Classes of Bonds, pursuant to which the Issuer hedges certain of its currency and interest rate obligations. The Issuer may also enter into back to back swap arrangements with Heathrow on substantially the same terms as the corresponding Hedging Agreements between the Issuer and the relevant Hedge Counterparties.

On the Initial Issue Date, the Issuer entered into a common terms agreement with among others, Heathrow (the “**Common Terms Agreement**”) and a security trust and intercreditor deed between among others, the Obligors, the Borrower Security Trustee and the other Borrower Secured Creditors (the “**STID**”).

On the Initial Issue Date, the Issuer entered into an Obligor floating charge agreement (the “**Obligor Floating Charge Agreement**”) pursuant to which the Obligors will grant a floating charge over all or substantially all of their assets in favour of the Issuer.

The Bond Trust Deed, the Bonds (including the applicable Final Terms), the Issuer Deed of Charge, the Financial Guarantee Fee Letters, the Agency Agreement, the Issuer Liquidity Facility Agreements, the Issuer Hedging Agreements, the Borrower Loan Agreements, the G&R Deed, the Financial Guarantees, the LHR Bond Guarantees, the Common Terms Agreement, the Security Agreement, the Obligor Floating Charge Agreement, the STID, the CP Agreement, the Issuer Cash Management Agreement, the master definitions agreement between, among others, the Issuer and the Bond Trustee to be dated the Initial Issue Date (the “**Master Definitions Agreement**”), the account bank agreement between, among others, the Issuer Account Bank, the Issuer and the Bond Trustee (the “**Issuer Account Bank Agreement**”), the Tax Deed of Covenant and each indemnification deed between, among others, the Relevant Financial Guarantor and the Dealers to be dated on or prior to the Initial Issue Date, and any related document (each, if not defined above, as defined below or in the Master Definitions Agreement) are, in relation to the Bonds, together referred to as the “**Issuer Transaction Documents**”.

Capitalised terms not defined in these Conditions have the meaning set out in the Master Definitions Agreement.

Certain statements in these Conditions are summaries of the detailed provisions appearing on the face of the Bonds (which expression shall include the body thereof), in the relevant Final Terms or in the Bond Trust Deed or the Issuer Deed of Charge. Copies of the Bond Trust Deed are available for inspection during normal business hours at the specified offices of the Principal Paying Agent (in the case of Bearer Bonds) or the specified offices of the Transfer Agents and the Registrar (in the case of Registered Bonds).

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Bond Trust Deed, the Issuer Deed of Charge and the relevant Final Terms and to have notice of those provisions of the Agency Agreement and the other Issuer Transaction Documents applicable to them.

Any reference in these conditions to a matter being “specified” means as the same may be specified in the relevant Final Terms or Drawdown Prospectus, as the case may be.

1. **Form, Denomination and Title**

(a) *Form and Denomination*

The Bonds are in bearer form (“**Bearer Bonds**”) or in registered form (“**Registered Bonds**”) as specified in the applicable Final Terms and serially numbered in the Specified Denomination(s). Bonds may be issued in such denomination and higher integral multiples of a smaller amount if specified in the applicable Final Terms. Bonds of one Specified Denomination may not be exchanged for Bonds of another Specified Denomination and Registered Bonds may not be exchanged for Bearer

Bonds. References in these Conditions to “**Bonds**” include Bearer Bonds and Registered Bonds and all Sub-Classes, Classes, Tranches and Series.

So long as the Bonds are represented by a temporary Global Bond or permanent Global Bond and the relevant clearing system(s) so permit, the Bonds shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Interest-bearing Bearer Bonds are issued with Coupons (as defined below) (and, where appropriate, a Talon (as defined below)) attached. After all the Coupons attached to, or issued in respect of, any Bearer Bond which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and (if necessary) one further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent. Any Bearer Bond the principal amount of which is redeemable in instalments may be issued with one or more Receipts (as defined below) (and, where appropriate, a Talon) attached thereto. After all the Receipts attached to, or issued in respect of, any Instalment Bond which was issued with a Talon have matured, a receipt sheet comprising further Receipts (other than Receipts which would be void) and (if necessary) a further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent.

(b) *Title*

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

In these Conditions, subject as provided below, each reference to “**Bondholder**” (in relation to a Bond, Coupon, Receipt or Talon), “**holder**” and “**Holder**” means (i) in relation to a Bearer Bond, the bearer of any Bearer Bond, Coupon, Receipt or Talon (as the case may be) and (ii) in relation to a Registered Bond, the person in whose name a Registered Bond is registered, as the case may be. The expressions “**Bondholder**”, “**holder**” and “**Holder**” include the holders of instalment receipts (which, in relation to Class A Bonds will be “**Class A Receipts**”, in relation to Class B Bonds, “**Class B Receipts**” and together, the “**Receipts**”) appertaining to the payment of principal by instalments (if any) attached to such Bonds in bearer form (the “**Receiptholders**”), the holders of the coupons (which, in relation to Class A Bonds will be “**Class A Coupons**”, in relation to Class B Bonds, “**Class B Coupons**” and together, the “**Coupons**”) (if any) appertaining to interest bearing Bonds in bearer form (the “**Couponholders**”), and the expression Couponholders or Receiptholders includes the holders of talons in relation to Coupons or Receipts as applicable, (which, in relation to Class A Bonds will be “**Class A Talons**”, in relation to Class B Bonds, “**Class B Talons**” and together, the “**Talons**”) (if any) for further coupons or receipts, as applicable attached to such Bonds.

The bearer of any Bearer Bond, Coupon, Receipt or Talon and the registered holder of any Registered Bond 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 relevant Bond, or its

theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Bond, a duly executed transfer of such Bond in the form endorsed on the Bond Certificate in respect thereof) and no person will be liable for so treating the holder.

Bonds which are represented by a Global Bond or Global Bond Certificate will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Bond Trustee.

(c) ***Fungible Issues of Bonds comprising a Sub-Class***

The Issuer may, from time to time, without the consent of the Bondholders, Receiptholders or Couponholders, create and issue further Bonds having the same terms and conditions as the Bonds of a Sub-Class in all respects (or in all respects except for the first payment of interest). Accordingly, a Sub-Class of Bonds may comprise a number of issues in addition to the initial Tranche of such Sub-Class. Such further issues of the same Sub-Class will be consolidated and form a Series with the prior issues of that Sub-Class.

2. Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds

(a) ***Exchange of Bonds***

Subject to Condition 2(e) (*Closed Periods*), Bearer Bonds may, if so specified in the relevant Final Terms, be exchanged at the expense of the transferor Bondholder for the same aggregate principal amount of Registered Bonds at the request in writing of the relevant Bondholder and upon surrender of the Bearer Bond to be exchanged together with all unmatured Coupons, Receipts and Talons (if any) relating to it at the specified office of the Registrar or any Transfer Agent or Paying Agent. Where, however, a Bearer Bond is surrendered for exchange after the Record Date (as defined below) for any payment of interest or Interest Amount (as defined below), the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it. Registered Bonds may not be exchanged for Bearer Bonds.

(b) ***Transfer of Registered Bonds***

A Registered Bond may be transferred upon the surrender of the relevant Individual Bond Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of any Transfer Agent or the Registrar. However, a Registered Bond may not be transferred unless (i) the principal amount of Registered Bonds proposed to be transferred and (ii) the principal amount of the balance of Registered Bonds to be retained by the relevant transferor are, in each case, Specified Denominations. In the case of a transfer of part only of a holding of Registered Bonds represented by an Individual Bond Certificate, a new Individual Bond Certificate in respect of the balance not transferred will be issued to the transferor within three

business days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such form of transfer.

(c) ***Delivery of New Individual Bond Certificates***

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

(d) ***Exchange at the Expense of Transferor Bondholder***

Registration of Bonds on exchange or transfer will be effected at the expense of the transferor Bondholder by or on behalf of the Issuer, the Transfer Agent or the Registrar, and upon payment of (or the giving of such indemnity as the Transfer Agent or the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed Periods***

No transfer of a Registered Bond may be registered, nor may any exchange of a Bearer Bond for a Registered Bond occur during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount (as defined below) or Redemption Amount (as defined below) on that Bond.

(f) ***Regulations Concerning the Transfer of Registered Bonds***

All transfers of Registered Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Principal Paying Agent, the Bond Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who requests in writing a copy of such regulations.

3. Status of Bonds, Financial Guarantee and LHR Bond Guarantee

(a) ***Status of Class A Bonds***

This Condition 3(a) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class A Bonds.

The Class A Bonds, Class A Coupons, Class A Talons and Class A Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner

described in Condition 4 (*Security, Priority and Relationship with Issuer Secured Creditors*) and rank *pari passu* without any preference among themselves. However, the Class A Unwrapped Bonds will not have the benefit of any Financial Guarantee.

(b) ***Status of Class B Bonds***

This Condition 3(b) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class B Bonds.

The Class B Bonds, Class B Coupons, Class B Talons and Class B Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Issuer Secured Creditors*), are subordinated to the Class A Bonds, Class A Coupons, Class A Receipts and Class A Talons (if any) and rank *pari passu* without any preference among themselves. However, the Class B Unwrapped Bonds will not have the benefit of any Financial Guarantee.

(c) ***Financial Guarantee Issued by a Relevant Financial Guarantor***

This Condition 3(c) is applicable only in relation to Bonds which are specified as being a Sub-Class of Wrapped Bonds.

Each Sub-Class of Wrapped Bonds will have the benefit of a Financial Guarantee issued by a Relevant Financial Guarantor, issued pursuant to a guarantee and reimbursement deed between, among others, the Issuer and the Relevant Financial Guarantor dated on or before the relevant Issue Date (as defined below) of such Bonds (the “**G&R Deed**”). Under the relevant Financial Guarantee, the Relevant Financial Guarantor unconditionally and irrevocably agrees to pay to the Bond Trustee all sums due and payable but unpaid by the Issuer in respect of scheduled interest and payment of principal (but excluding FG Excepted Amounts) on such Wrapped Bonds, all as more particularly described in the relevant Financial Guarantee.

The terms of the relevant Financial Guarantee provide that amounts of principal on any such Bonds which have become immediately due and payable (whether by virtue of acceleration, prepayment or otherwise) other than on the relevant Payment Date (as defined under the relevant Financial Guarantee) will not be treated as Guaranteed Amounts (as defined in the relevant Financial Guarantee) which are Due for Payment (as defined in the relevant Financial Guarantee) under the relevant Financial Guarantee unless the Relevant Financial Guarantor in its sole discretion elects so to do by notice in writing to the Bond Trustee. A Relevant Financial Guarantor may elect to accelerate payments due under its Financial Guarantee in full or partially. All payments made by the Relevant Financial Guarantor under its relevant Financial Guarantee in respect of partial acceleration shall be applied (i) to pay the Interest (as defined in the relevant Financial Guarantee) accrued but unpaid on the Principal (as defined in the relevant Financial Guarantee) of such part of the accelerated payment and (ii) to reduce the Principal (as defined in the relevant Financial Guarantee) (or, in the case of Wrapped Bonds repayable in instalments, each principal repayment instalment on a *pro rata* basis with a corresponding reduction of each amount of the Interest (as stated in the relevant Financial Guarantee)) outstanding under the relevant Sub-Classes of Wrapped

Bonds. If no such election is made, the Relevant Financial Guarantor will continue to be liable to make payments in respect of the Bonds pursuant to the relevant Financial Guarantee on the dates on which such payments would have been required to be made if such amounts had not become immediately due and payable.

To the extent that the early redemption price of any Bonds exceeds the aggregate of the Principal Amount Outstanding of and any accrued interest outstanding on any such Bonds to be redeemed (each as adjusted for indexation in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*), if applicable) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), payment of such early redemption price will to that extent, not be guaranteed by the Relevant Financial Guarantor under its relevant Financial Guarantee.

(d) ***Status of Financial Guarantee***

This Condition 3(d) is applicable only in relation to Bonds which are specified as being a Sub-Class of Wrapped Bonds.

The relevant Financial Guarantee provided by a Relevant Financial Guarantor in respect of the Bonds will constitute a direct, unsecured obligation of such Relevant Financial Guarantor which will rank at least *pari passu* with all other unsecured obligations of such Relevant Financial Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(e) ***LHR Bond Guarantee issued by the Bond Guarantor***

This Condition 3(e) is applicable only in relation to Bonds which are specified as being a Sub-Class of LHR Guaranteed Bonds.

Each Sub-Class of LHR Guaranteed Bonds will be guaranteed by the Bond Guarantor issued pursuant to a bond guarantee dated on or before the Initial Issue Date of such Bonds (the “**LHR Bond Guarantee**”). Under the relevant LHR Bond Guarantee, the Bond Guarantor unconditionally and irrevocably agrees to pay to the Bond Trustee all sums due and payable but unpaid by the Issuer in respect of scheduled interest and payment of principal on such LHR Guaranteed Bonds, all as more particularly described in the LHR Bond Guarantee.

(f) ***Status of LHR Bond Guarantee***

This Condition 3(f) is applicable only in relation to Bonds which are specified as being a Sub-Class of LHR Guaranteed Bonds.

Each LHR Bond Guarantee provided by the Bond Guarantor in respect of the Bonds will constitute a direct, unsecured obligation of the Bond Guarantor which will rank at least *pari passu* with all other unsecured obligations of the Bond Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(g) ***Bond Trustee not responsible for monitoring compliance***

The Bond Trustee shall not be responsible for monitoring compliance by the Issuer with any of its obligations under the Issuer Transaction Documents except by means of receipt of a certificate from the Issuer which will state, among other things, that no Bond Event of Default is outstanding. The Bond Trustee shall be entitled to rely on such certificates absolutely. The Bond Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Issuer Transaction Documents. The Bond Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any one director of the Issuer, the Obligors (or any of them) or any other party to any Issuer Transaction Document to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Bond Trustee may require to be satisfied. The Bond Trustee is in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Bond Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

4. Security, Priority and Relationship with Issuer Secured Creditors

(a) *Security*

As continuing security for the payment or discharge of the Issuer Secured Liabilities (including all monies payable in respect of the Bonds, Coupons and Receipts and otherwise under the Bond Trust Deed, the Issuer Deed of Charge and any deed or other document executed in accordance with the Bond Trust Deed or Issuer Deed of Charge and expressed to be supplemental to the Bond Trust Deed or Issuer Deed of Charge (as applicable) (the “**Trust Documents**”) (including the remuneration, expenses and other claims of the Bond Trustee and any Receiver appointed under the Issuer Deed of Charge)), the Issuer has entered in to the Issuer Deed of Charge to create as far as permitted by and subject to compliance with any applicable law, the following security (the “**Issuer Security**”) in favour of the Bond Trustee for itself and on trust for the other Issuer Secured Creditors:

- (i) an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- (ii) an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- (iii) a first fixed charge of the Benefit of the bank accounts (other than any Liquidity Standby Account (the “**Issuer Accounts**”)) and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit;
- (iv) a first fixed charge of the Benefit of each Authorised Investment of the Issuer; and
- (v) a floating charge over the whole of the Issuer’s undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer’s uncalled capital.

All Bonds issued by the Issuer under the Programme will share in the Issuer Security constituted by the Issuer Deed of Charge, upon and subject to the terms thereof.

(b) ***Relationship among Bondholders and with other Issuer Secured Creditors***

The Bond Trust Deed contains provisions detailing the Bond Trustee's obligations to consider the interests of Bondholders as regards all discretions of the Bond Trustee (except where expressly provided or otherwise referred to in Condition 16 (*Bond Trustee Protections*)).

(c) ***Enforceable Security***

In the event of the Issuer Security becoming enforceable as provided in the Issuer Deed of Charge, the Bond Trustee shall, if instructed by, in respect of the Wrapped Bonds, each Relevant Financial Guarantor (or following the occurrence of an FG Event of Default, the holders of the Most Senior Class of Wrapped Bonds then outstanding) and in respect of the Unwrapped Bonds, the holders of the Most Senior Class of Unwrapped Bonds then outstanding, enforce its rights with respect to the Issuer Security, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Bondholder, provided that the Bond Trustee shall not be obliged to take any action unless it is indemnified and/or secured to its satisfaction.

(d) ***Application After Enforcement***

After enforcement of the Issuer Security, the Bond Trustee shall (to the extent that such funds are available) use funds standing to the credit of the Issuer Accounts to make payments in accordance with the Issuer Post-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

(e) ***Bond Trustee not liable for security***

The Bond Trustee will not be liable for any failure to make the usual investigations or any investigations which might be made by a security holder in relation to the property which is the subject of the Issuer Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer to the Issuer Security, whether such defect or failure was known to the Bond Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the enforceability of the Issuer Security created under the Issuer Deed of Charge whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Issuer Security or otherwise. The Bond Trustee shall have no responsibility for the value of any such Issuer Security.

5. Issuer Covenants

So long as any of the Bonds remain outstanding, the Issuer has agreed to comply with the covenants as set out in schedule 2 of the Bond Trust Deed.

The Bond Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter relating to such covenants and to accept without

liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

6. Interest and other Calculations

(a) *Interest Rate and Accrual*

Each Bond (unless specified in the relevant Final Terms to be a Zero Coupon Bond) bears interest on its Principal Amount Outstanding as defined below (or as otherwise specified in the relevant Final Terms) from the Interest Commencement Date (as defined below) at the Interest Rate (as defined below), such interest being payable in arrear (unless otherwise specified in the relevant Final Terms) on each Interest Payment Date (as defined below).

Interest will cease to accrue on each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) 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 (both before and after judgment) at the Interest Rate that would otherwise apply in respect of unpaid amounts on such Bonds at such time to the Bond Relevant Date (as defined in Condition 6(i)(Definitions)).

In the case of interest on Class B Unwrapped Bonds only, if, on any Interest Payment Date, prior to the delivery of a Bond Enforcement Notice, there are insufficient funds available to the Issuer in accordance with the applicable Issuer Payment Priorities (after taking into account any amounts available to be drawn under any Liquidity Facility) to pay such accrued interest, the Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earliest of: (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of the Issuer Cash Management Agreement, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which the Senior Debt has been paid in full; and (iii) the date on which a Bond Enforcement Notice has been delivered. Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of such Class B Unwrapped Bonds at such time.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified, as the case may be.

(b) *Business Day Convention*

If any date referred to in these Conditions or the relevant Final Terms 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 (as defined below), then if the Business Day Convention specified in the relevant Final Terms is:

- (i) the “**Following Business Day Convention**”, such date shall be postponed to the next day which is a Business Day;
- (ii) 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

- (iii) the “**Preceding Business Day Convention**”, such date shall be brought forward to the immediately preceding Business Day.

(c) ***Floating Rate Bonds***

This Condition 6(c) is applicable only if the relevant Final Terms specify the Bonds as Floating Rate Bonds.

(i) ***Screen Rate Determination***

Subject to Condition 6(m) (*Benchmark discontinuation*), if “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and if a Reference Rate and a Relevant Screen Page are so specified and the Reference Rate so specified is not SONIA, the Interest Rate applicable to the Bonds for each Interest Period will be determined by the Agent Bank (or the Calculation Agent, if applicable) on the following basis:

- (A) if the Relevant Screen Page (as defined below) displays a rate which is a composite quotation or customarily supplied by one entity, the Agent Bank (or the Calculation Agent, if applicable) will determine the Relevant Rate (as defined in Condition 6(i) (*Definitions*));
- (B) in any other case, the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the Relevant Rates (as defined below) which appear on the Page as of the Relevant Time (as defined below) on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that Relevant Screen Page or, in the case of (ii) above, fewer than two such rates appear on that Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or the Calculation Agent, if applicable) will:
 - (1) request the principal Relevant Financial Centre office of each of the Reference Banks (as defined in Condition 6(i) (*Definitions*)) to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date to prime banks in the Relevant Financial Centre (as defined below) interbank market (or, if appropriate, money market) in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested in Condition 6(c)(i)(C), the Calculation Agent will determine the arithmetic mean of the rates (being the rates nearest to the Relevant Rate as determined by the Calculation Agent) quoted by the Reference Banks at approximately 11:00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the relevant Interest Determination Date (as defined in Condition 6(i)

(*Definitions*)) for loans in the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount (as defined in Condition 6(i) (*Definitions*)),

and the Interest Rate for such Interest Period shall be the sum of the rate or (as the case may be) the arithmetic mean so determined and (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate. However, if the Agent Bank or the Calculation Agent (as applicable) 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 Bonds 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 Bonds in respect of a preceding Interest Period.

(ii) *ISDA Determination*

If “**ISDA Determination**” is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Bonds for each Interest Period will be the sum of the ISDA Rate and (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank (or the Calculation Agent, if applicable) under an interest rate swap transaction if the Agent Bank (or the Calculation Agent, if applicable) 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 is as specified in the relevant Final Terms;
- (B) the Designated Maturity is the Specified Duration (as defined in Condition 6(i) (*Definitions*));
- (C) the relevant Reset Date is either (1) if the relevant Floating Rate Option is based on EURIBOR, AUD BBSW, CDOR, NIBOR, SGD SOR, HKD HIBOR, SEK STIBOR the first day of that Interest Period, or (2) in any other case, as specified in the relevant Final Terms;
- (D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the relevant Final Terms:
 - (I) Compounding with Lookback;
 - (II) Compounding with Observation Period Shift; or
 - (III) Compounding with Lockout;

- (E) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift, as specified in the applicable Final Terms.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

For the purposes of this subparagraph (e), Floating Rate, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift have the meanings given to those terms in the ISDA Definitions.

For the avoidance of doubt, and notwithstanding anything in the ISDA Definitions to the contrary, the Agent Bank (or the Calculation Agent, if applicable) shall have no obligation to exercise any discretion in relation to determining the ISDA Rate, and to the extent that the ISDA Definitions require the Agent Bank (or the Calculation Agent, if applicable) to exercise any such discretion, the Issuer will provide written direction to the Agent Bank (or the Calculation Agent, if applicable) specifying how such discretion should be exercised. The Agent Bank (or the Calculation Agent, if applicable) may exclusively rely on such written direction, and will be fully protected if the Agent Bank (or the Calculation Agent, if applicable) acts in accordance with such written direction.

(iii) *Provisions relating to Floating Rate Bonds which reference SONIA*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SONIA, the Interest Rate for each Interest Period will be equal to the relevant SONIA Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SONIA Benchmark**” will be determined based on either SONIA Compound or SONIA Index Determination, as follows (subject to Condition 6(m) (*Benchmark discontinuation*) below):

- (1) if SONIA Compound (“**SONIA Compound**”) is specified as applicable in the relevant Final Terms, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Interest Period (where SONIA Compound with Lookback is specified in the relevant Final Terms to determine SONIA Compound), Observation Period (where SONIA Compound with Observation Period Shift is specified in the relevant Final Terms to determine SONIA Compound) or

Interest Accrual Period (where SONIA Compound with Payment Delay is specified in the relevant Final Terms to determine SONIA Compound).

SONIA Compound shall be calculated in accordance with one of the formulas referenced below:

(a) SONIA Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of London Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Interest Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” for any London Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following London Banking Day (“**i+1**”);

“**Lookback Days**” means the number of London Banking Days specified in the Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“**SONIA_{i-pLBD}**” for any London Banking Day “i” in the relevant Interest Period, is equal to the SONIA in respect of the London Banking Day falling a number of London Banking Days prior to that day “i” equal to the number of Lookback Days.

(b) SONIA Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Observation Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” for any London Banking Day “i” in the relevant Observation Period, means the number of calendar days from (and including) such day “i” up to (but excluding) the following London Banking Day (“i+1”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of London Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of London Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of London Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“SONIA”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“SONIA_i” for any London Banking Day “i” in the relevant Observation Period, is equal to SONIA in respect of that day “i”.

(c) SONIA Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“d” means the number of calendar days in the relevant Interest Accrual Period;

“d₀” for any Interest Accrual Period, means the number of London Banking Days in the relevant Interest Accrual Period;

“i” means a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the notes prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“**Interest Accrual Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled

Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the notes prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“**Interest Payment Delay**” means the number of London Banking Days specified in the relevant Final Terms;

“**Interest Payment Determination Dates**” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SONIA Rate Cut-Off Date;

“**n_i**” for any London Banking Day “i” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such London Banking Day “i” up to (but excluding) the following London Banking Day (“i+1”); and

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day;

“**SONIA_i**” means for any London Banking Day “i” in the relevant Interest Accrual Period, is equal to SONIA in respect of that day “i”.

“**SONIA Rate Cut-Off Date**” means the date that is a number of London Banking Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

For purposes of calculating SONIA Compound with respect to the final Interest Accrual Period, the level of SONIA for each London Banking Day in the period from (and including) the SONIA Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of SONIA in respect of such SONIA Rate Cut-Off Date.

- (2) if SONIA Index Determination (“**SONIA Index Determination**”), is specified as applicable in the relevant Final Terms, the following provisions shall apply and the SONIA Benchmark for each Interest Period shall be equal to the rate of return of a daily compound interest investment (with the daily SONIA as the Relevant Rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\left(\frac{\text{SONIA Index End}}{\text{SONIA Index Start}} - 1 \right) \times \frac{365}{d}$$

where:

“**d**” means the number of calendar days from (and including) the day in relation to which SONIA Index Start is determined to (but excluding) the day in relation to which SONIA Index End is determined;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Relevant Number**” means the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day, as provided by the administrator of SONIA to authorised distributors and as then published on the London Banking Day immediately following such London Banking Day;

“**SONIA Index End**” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**SONIA Index Start**” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Period; and

“**SONIA Index**” means the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date.

If the relevant SONIA Index is not published or displayed on the Relevant Screen Page by the administrator of the SONIA or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA or of such other information service, as the case may be) on the relevant Interest Determination Date, the SONIA Benchmark for the applicable Interest Period for which the SONIA Index is not available shall be determined as if SONIA Compound with Observation Period Shift were specified as applicable in the relevant Final Terms, and for these purposes: the Observation Shift Days in respect of the applicable Interest Period for which the SONIA Index is not available shall be deemed to be equal to the Relevant Number of

London Banking Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of that London Banking Day “i-pLBD” or “i”, as applicable, the Calculation Agent determines that the SONIA is not available on the Relevant Screen Page (the “**SONIA Screen Page**”) or has not otherwise been published by the relevant authorised distributors, such SONIA shall be (A) (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA to the Bank Rate over the previous five (5) days on which a SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate or (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the “**SONIA Replacement Rate**”).

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA is to be determined or (ii) any rate that is to replace the SONIA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine the SONIA Replacement Rate for the purpose of the Bonds for so long as the SONIA is not available or has not been published by the authorised distributors.

If the SONIA rate ceases to exist and the Calculation Agent determines that there is no industry accepted successor rate for debt market instruments linked to the SONIA rate, the Floating Rate shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial SONIA Rate which would have been applicable to the relevant Class or Sub-Class of Bonds for the first Interest Period had the Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Relevant Margin applicable to the first Interest Period). If the relevant Series of Bonds become due and payable in accordance with Condition 8 (Redemption, Purchase and Cancellation) or Condition 11 (Bond Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Bonds became due and payable and the Interest Rate on such Bonds shall, for so long as any such Bond remains outstanding, be that determined on such date.

(iv) *Provisions relating to Floating Rate Bonds which reference SOFR*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SOFR,

the Interest Rate for each Interest Period will be equal to the relevant SOFR Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SOFR Benchmark**” will be determined based on either SOFR Arithmetic Mean, SOFR Compound or SOFR Index Average, as follows (subject to Condition 6(m) (*Benchmark discontinuation*) below):

- (1) if SOFR Arithmetic Mean (“**SOFR Arithmetic Mean**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR rates for each day during the period, as calculated by the Calculation Agent, where, if applicable (as specified in the relevant Final Terms), the SOFR rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Payment Date;
- (2) if SOFR Compound (“**SOFR Compound**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Period (where SOFR Compound with Lookback is specified in the relevant Final Terms to determine SOFR Compound), Observation Period (where SOFR Compound with Observation Period Shift is specified in the relevant Final Terms to determine SOFR Compound) or Interest Accrual Period (where SOFR Compound with Payment Delay is specified in the relevant Final Terms to determine SOFR Compound).

SOFR Compound shall be calculated in accordance with one of the formulas referenced below:

- (a) SOFR Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_{t-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Lookback Days**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “**i**” up to (but excluding) the following U.S. Government Securities Business Day (“**i+1**”);

“**SOFR_{i-xUSBD}**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period, is equal to the SOFR in respect of the U.S. Government Securities Business Days falling a number of U.S. Government Securities Business Days prior to that day “**i**” equal to the number of Lookback Days ;and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(b) SOFR Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

“**i**” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Days in chronological order

from (and including) the first U.S. Government Securities Business Day in the relevant Observation Period;

“**n_i**” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day (“i+1”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of U.S. Government Securities Business Days equal to the Observation Shift Days preceding the first date in such Interest Period to (but excluding) the date falling a number of U.S. Government Securities Business Days equal to the number of Observation Shift Days, preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SOFR_i**” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, is equal to SOFR in respect of that day “i”; and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(c) SOFR Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order

from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

“Interest Accrual Periods” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“Interest Accrual Period End Dates” shall have the meaning specified in the relevant Final Terms;

“Interest Payment Dates” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“Interest Payment Delay” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

“Interest Payment Determination Dates” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SOFR Rate Cut-Off Date;

“ n_i ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” up to (but excluding) the following U.S. Government Securities Business Day (“ $i+1$ ”);

“SOFR _{i} ” means for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, is equal to SOFR in respect of that day “ i ”; and

“U.S. Government Securities Business Days” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

For purposes of calculating SOFR Compound with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the

Maturity Date or the redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

- (3) if SOFR Index Average (“**SOFR Index Average**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Period as calculated by the Calculation Agent as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**SOFR Index**” means the SOFR Index in relation to any U.S. Government Securities Business Day as published by the NY Federal Reserve on the NY Federal Reserve’s Website at the SOFR Determination Time and appearing on the Relevant Screen Page.

“**SOFR IndexStart**” means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Final Terms preceding the first date of the relevant Interest Period (a “**SOFR Index Determination Date**”).

“**SOFR IndexEnd**” means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Final Terms preceding the Interest Payment Date relating to such Interest Period (or in the final Interest Period, the Scheduled Redemption date or the Maturity Date (as the case may be)).

“**d_c**” means the number of calendar days from (and including) the SOFR IndexStart to (but excluding) the SOFR IndexEnd.

Subject Condition 6(m) (*Benchmark discontinuation*) below, if the SOFR Index is not published on any relevant SOFR Index Determination Date and no Benchmark Event has occurred, the “SOFR Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the SOFR Compound formula described above in (b) SOFR Compound with Observation Period Shift” and the term “Observation Shift Days” shall mean two U.S. Government Securities Business Days.

In connection with the SOFR provisions above, the following definitions apply:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“NY Federal Reserve” means the Federal Reserve Bank of New York;

“NY Federal Reserve’s Website” means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

“SOFR Rate Cut-Off Date” means the date that is a number of U.S. Government Securities Business Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

“Reuters Page USDSOFR=” means the Reuters page designated “USDSOFR=” or any successor page or service;

“SOFR” means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent or the SOFR Replacement Rate Determination Agent, as the case may be, in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at the SOFR Determination Time on the NY Federal Reserve’s Website; or
- (ii) if the rate specified in (i) above does not appear, the SOFR published on the NY Federal Reserve’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the NY Federal Reserve’s Website;

“SOFR Determination Time” means approximately 3:00 p.m. (New York City time) on the NY Federal Reserve’s Website on the immediately following U.S. Government Securities Business Day; and

“U.S. Government Securities Business Days” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (v) *Provisions relating to Floating Rate Bonds which reference €STR*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is €STR, the Interest Rate for each Interest Period shall be the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest), plus or minus (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent on the Interest Determination Date, according to the formula below:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{€STR}_{i-\text{pTBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of TARGET Business Days in the relevant Interest Period;

“**ECB €STR Guideline**” means Guideline (EU) 2019/1265 of the ECB of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

“**€STR**” means, in respect of any TARGET Business Days, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area provided by the ECB as administrator of such rate (or any successor administrator) and published on the ECB’s Website at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR_{i-pTBD}**” for any TARGET Business Day “i” in the relevant Interest Period, is equal to the €STR in respect of the TARGET Business Day falling a number of TARGET Business Days prior to that day “i” equal to the number of Lookback Days;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in the relevant Interest Period to (but excluding) the Interest Payment Date corresponding to such Interest Period;

“**Lookback Days**” is as specified in the Final Terms but shall not be less than five TARGET Business Days at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any TARGET Business Day “i” in the relevant Interest Period, means the number of calendar days from (and including) such TARGET Business Day “i” up to (but excluding) the following TARGET Business Day (“i+1”);

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is opened;

“**TARGET System**” means the Trans-European Automated Real-time Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto;

If the €STR is not published on the Relevant Screen Page (the “**€STR Screen Page**”) on any particular TARGET Business Day and no Benchmark Event has occurred, the €STR for such TARGET Business Day shall be the rate equal to €STR in respect of the last TARGET Business Day for which such rate was published on the ECB’s Website.

In connection with the €STR provisions above, the following definitions apply:

“**ECB’s Website**” means the website of the ECB currently at www.ecb.europa.eu or any successor source officially designated by the ECB;

(vi) *Provisions relating to Floating Rate Bonds which reference SARON*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SARON, the Interest Rate for each Interest Period will be equal to the relevant SARON Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SARON Benchmark**” will be determined based on either SARON Compound or SAION Index Determination, as follows (subject to Condition 6(m) (*Benchmark discontinuation*) below):

- (1) if SARON Compound (“**SARON Compound**”) is specified as applicable in the relevant Final Terms, the SARON Benchmark for each Interest Period shall be equal to the value of the SARON rates for each day during the relevant Interest Period (where SARON Compound with Lookback is specified in the relevant Final Terms to determine SARON Compound), Observation Period (where SARON Compound with Observation Period Shift is specified in the relevant Final Terms to determine SARON Compound) or Interest Accrual Period (where SARON Compound with Payment Delay is specified in the relevant Final Terms to determine SARON Compound).

SARON Compound shall be calculated in accordance with one of the formulas referenced below:

- (a) SARON Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SARON}_{i-xZBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Zurich Banking Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Interest Period;

“**Lookback Days**” means the number of Zurich Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any Zurich Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such Zurich Banking Day “**i**” up to (but excluding) the following Zurich Banking Day (“**i+1**”);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SARON_{i-xZBD}**” for any Zurich Banking Day “**i**” in the relevant Interest Period, is equal to the SARON in respect of the Zurich Banking Day falling a number of Zurich Banking Days prior to that day “**i**” equal to the number of Lookback Days; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(b) SARON Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SARON}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Observation Period;

“**n_i**” for any Zurich Banking Day “**i**” in the relevant Observation Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following Zurich Banking Day (“**i+1**”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of Zurich Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SARON_i**” for any Zurich Banking Day “**i**” in the relevant Observation Period, is equal to SARON in respect of that day “**i**”; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(c) SARON Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of Zurich Banking Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“**Interest Accrual Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“**Interest Payment Delay**” means the number of Zurich Banking Days specified in the relevant Final Terms;

“**Interest Payment Determination Dates**” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SARON Rate Cut-Off Date;

“**n_i**” for any Zurich Banking Day “**i**” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such

Zurich Banking Day “i” up to (but excluding) the following Zurich Banking Day (“i+1”);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SARON_i**” means for any Zurich Banking Day “i” in the relevant Interest Accrual Period, is equal to SARON in respect of that day “i”;

“**SARON Rate Cut-Off Date**” means the date that is a number of Zurich Banking Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

For purposes of calculating SARON Compound with respect to the final Interest Accrual Period, the level of SARON for each Zurich Banking Day in the period from (and including) the SARON Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of SARON in respect of such SARON Rate Cut-Off Date; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

- (2) if SAION Index Determination (“**SAION Index Determination**”), is specified as applicable in the relevant Final Terms, the following provisions shall apply and the SARON Benchmark for each Interest Period shall be equal to the rate of return of a daily compound interest investment (with the daily SARON as the Relevant Rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\left(\frac{\text{SAION Index End}}{\text{SAION Index Start}} - 1 \right) \times \frac{360}{d}$$

where:

“**d**”, means the number of calendar days from (and including) the day in relation to which SAION Index Start is determined to (but excluding) the day in relation to which SAION Index End is determined;

“**Relevant Number**” means the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SAION Index End**” means, with respect to an Interest Period, the SAION Index determined in relation to the day falling the Relevant Number of Zurich Banking Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**SAION Index Start**” means, with respect to an Interest Period, the SAION Index determined in relation to the day falling the Relevant Number of Zurich Banking Days prior to the first day of such Interest Period;

“**SAION Index**” means the screen rate or index for compounded daily SARON rates administered by the SARON Administrator that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

If the relevant SAION Index is not published or displayed by the administrator of the SARON or other information service by 6.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SARON or of such other information service, as the case may be) on the relevant Interest Determination Date, the SARON Benchmark for the applicable Interest Period for which the SAION Index is not available shall be determined as if SARON Compound with Observation Period Shift were specified as applicable in the relevant Final Terms, and for these purposes the Observation Shift Days in respect of the applicable Interest Period for which the SAION Index is not available shall be deemed to be equal to the Relevant Number of Zurich Banking Days, as if such alternative elections had been made in the applicable Final Terms.

If the SARON is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Screen Page Time on the relevant Zurich Banking Day and a Benchmark Event has not occurred on or prior to the Relevant Screen Page Time on the relevant Zurich Banking Day, the SARON for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich

Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.

In connection with the SARON provisions above, the following definitions apply:

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

“**SARON Administrator Website**” means the website of the SARON Administrator;
and

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto.

(vii) *Provisions relating to Floating Rate Bonds which reference TONA*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is TONA, the Interest Rate for each Interest Period will be equal to the relevant TONA Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**TONA Benchmark**” for each Interest Period shall be equal (subject to Condition 6(m) (*Benchmark discontinuation*) below) to the value of the TONA rates for each day during the relevant Interest Period (where TONA Compound with Lookback is specified in the relevant Final Terms to determine TONA Compound), Observation Period (where TONA Compound with Observation Period Shift is specified in the relevant Final Terms to determine TONA Compound) or Interest Accrual Period (where TONA Compound with Payment Delay is specified in the relevant Final Terms to determine TONA Compound).

TONA Benchmark shall be calculated in accordance with one of the formulas referenced below:

(a) TONA Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{TONA}_{t-\text{pTBD}} \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Tokyo Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to d_0 , each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Interest Period;

“**Lookback Days**” means the number of Tokyo Banking Days specified in the Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any Tokyo Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following Tokyo Banking Day (“**i+1**”);

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“**TONA_{i-pTBD}**” for any Tokyo Banking Day “**i**” in the relevant Interest Period, is equal to the TONA in respect of the Tokyo Banking Day falling a number of Tokyo Banking Days prior to that day “**i**” equal to the number of Lookback Days.

(b) TONA Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{TONA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d_0 , each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Observation Period;

“ n_i ” for any Tokyo Banking Day “ i ” in the relevant Observation Period, means the number of calendar days from (and including) such day “ i ” up to (but excluding) the following Tokyo Banking Day (“ $i+1$ ”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of Tokyo Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“**TONA_i**” for any Tokyo Banking Day “ i ” in the relevant Observation Period, is equal to TONA in respect of that day “ i ”.

(c) TONA Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{TONA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of Tokyo Banking Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to d_0 , each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“**Interest Accrual Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“**Interest Payment Delay**” means the number of Tokyo Banking Days specified in the relevant Final Terms;

“**Interest Payment Determination Dates**” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the TONA Rate Cut-Off Date;

“**n_i**” for any Tokyo Banking Day “**i**” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such Tokyo Banking Day “**i**” up to (but excluding) the following Tokyo Banking Day (“**i+1**”);

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“**TONA_i**” means for any Tokyo Banking Day “**i**” in the relevant Interest Accrual Period, is equal to TONA in respect of that day “**i**”; and

“**TONA Rate Cut-Off Date**” means the date that is a number of Tokyo Banking Day(s) prior to the end of each Interest Period, the Scheduled

Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms.

For purposes of calculating TONA Compound with respect to the final Interest Accrual Period, the level of TONA for each Tokyo Banking Day in the period from (and including) the TONA Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of TONA in respect of such TONA Rate Cut-Off Date.

If, in respect of that Tokyo Banking Day “i-pTBD” or “i”, as applicable, the Calculation Agent determines that the TONA is not available on the Bloomberg Screen TONA Page or the Relevant Screen Page as applicable (the “**TONA Screen Page**”) or has not otherwise been published by the relevant authorised distributors, such TONA shall be (i) the Bank of Japan’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant Tokyo Banking Day; plus (ii) the mean of the spread of the TONA to the Bank Rate over the previous five (5) days on which a TONA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate (the “**TONA Replacement Rate**”).

Notwithstanding the paragraph above, in the event the Bank of Japan publishes guidance as to (i) how the TONA is to be determined or (ii) any rate that is to replace the TONA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine the TONA Replacement Rate for the purpose of the Bonds for so long as the TONA is not available or has not been published by the authorised distributors.

(viii) *Provisions relating to Floating Rate Bonds which reference CORRA*

If the relevant Final Terms specifies the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is CORRA, the Interest Rate for each Interest Period shall be the rate of return of a daily compound interest investment (with the daily Canadian Dollar overnight repurchase rate as the reference rate for the calculation of interest), plus or minus (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent on the Interest Determination Date, according to the formula below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{CORRA_{i-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**CORRA**”, in respect of any Toronto Banking Day, is a reference rate equal to the daily Canada Overnight Repo Rate Average for such Toronto Banking Day as provided by the administrator of CORRA to authorized distributors and as then published on the Relevant Screen Page, or, if the Relevant Screen Page is unavailable, as otherwise published by such authorized distributors, in each case on the Toronto Banking Day immediately following such Toronto Banking Day;

“**CORRA_{i-pTBD}**”, for any Toronto Banking Day “i” in the relevant Interest Period, is equal to the CORRA in respect of the Toronto Banking Day falling a number of Toronto Banking Days prior to that day “i” equal to the number of Observation Shift Days.

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Toronto Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Toronto Banking Day in chronological order from (and including) the first Toronto Banking Day in the relevant Interest Period to (but excluding) the Interest Payment Date corresponding to such Interest Period;

“**n_i**” for any Toronto Banking Day “i” means the number of calendar days from, and including, such Toronto Banking Day “i” up to, but excluding, the following Toronto Banking Day;

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Toronto Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Toronto Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of Toronto Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“**Toronto Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Toronto.

If CORRA is not published on the Relevant Screen Page (the “**CORRA Screen Page**”) on any particular Toronto Banking Day or has not otherwise been published by the relevant authorized distributors, then (i) CORRA shall be equal to the BOC Target Rate, and (ii) if the BOC Target Rate does not exist, the Calculation Agent will determine CORRA in respect of such Toronto Banking Day as being the CORRA in respect of the last Toronto Banking Day for which CORRA was

published on the Relevant Screen Page or as otherwise published by the relevant authorized distributors.

Notwithstanding the paragraph above, in the event the Bank of Canada publishes guidance as to (i) how CORRA is to be determined or (ii) any rate that is to replace CORRA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine CORRA for any Toronto Banking Day “i” for so long as CORRA is not available or has not been published by the authorized distributors.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be that determined at the last preceding Interest Determination Date.

If a CORRA Cessation Event and its related CORRA Cessation Effective Date occurs, the Issuer will use an Applicable Fallback Rate, as adjusted, in the case of the CAD Recommended Rate, on the instructions of the Issuer by the Calculation Agent as necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison with CORRA, for all purposes relating to the Bonds in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of an Applicable Fallback Rate, the Calculation Agent may, on the instructions of the Issuer, make such adjustments to the Applicable Fallback Rate or the spread thereon, as well as the Toronto Banking Day and calendar day count conventions, and related provisions and definitions including the Interest Payment Date and Observation Date, in each case as are consistent with accepted market practice for the use of the Applicable Fallback Rate for debt obligations such as the Bonds in such circumstances.

Any determination, decision or election that may be made by the Issuer, in relation to the Applicable Fallback Rate, including any determination with respect to an adjustment or the occurrence or non- non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion and under the instructions of the Issuer, and the Calculation Agent will not make any determination, decision or election to which the Issuer objects and will have no liability for not making any determination, decision or election; and (iii) shall become effective without consent from the holders of the Bonds or any other party.

In connection with the CORRA provisions above, the following definitions apply:

“**Applicable Fallback Rate**” means one of the CAD Recommended Rate or the BOC Target Rate, as applicable.

“**Bank of Canada’s Website**” means the website of the Bank of Canada currently at www.bankofcanada.ca or any successor source officially designated by the Bank of Canada.

“**BOC Target Rate**” means the prevailing Bank of Canada target for the overnight rate as displayed on the Bank of Canada Website on such Toronto Banking Day, or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards).

“**CAD Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

“**CORRA Cessation Effective Date**” means, in respect of one or more CORRA Cessation Events, the first date on which CORRA is no longer provided. If CORRA ceases to be provided on the same day that it is required to determine the rate for an Interest Period but it was provided on the Observation Date for such Interest Period, then the CORRA Cessation Effective Date will be the next day on which CORRA would ordinarily have been published.

“**CORRA Cessation Event**” means:

- (A) a public statement or publication of information by or on behalf of the administrator of CORRA announcing that it has ceased or will cease to provide CORRA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CORRA; or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of CORRA, the Bank of Canada, an insolvency official with jurisdiction over the administrator for CORRA, a resolution authority with jurisdiction over the administrator for CORRA or a court or an entity with similar insolvency or resolution authority over the administrator for CORRA, which states that the administrator of CORRA has ceased or will cease to provide CORRA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CORRA.

“**Observation Date**” means the date falling a number of Toronto Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period.

(d) ***Fixed Rate Bonds***

This Condition 6(d) is applicable only if the relevant Final Terms specify the Bonds as Fixed Rate Bonds.

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms.

The Interest Rate applicable to the Bonds for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the rate determined in accordance with Condition 6(c) (*Floating Rate Bonds*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(e) ***Indexed Bonds***

This Condition 6(e) is applicable only if the relevant Final Terms specify the Bonds as Indexed Bonds.

Payments of principal on, and the interest payable in respect of, the Bonds will be subject to adjustment for indexation and to the extent set out in Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable.

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms.

The Interest Rate applicable to the Bonds for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the arithmetic mean rate determined in accordance with Condition 6(c) (*Floating Rate Bonds*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(f) ***Rounding***

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

- (i) 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);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). 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.

(g) ***Calculations***

The amount of interest payable in respect of any Bond for each Interest Period shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the specified currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of

such Bond divided by the Calculation Amount (as defined in Condition 6(i) (*Definitions*)) and, in the case of Indexed Bonds only, adjusted according to the indexation set out in Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable, unless an Interest Amount is specified in respect of such period in the relevant Final Terms, in which case the amount of interest payable in respect of such Bond for such Interest Period will equal such Interest Amount.

(h) ***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 Agent Bank (or the Calculation Agent, if applicable) may be required to calculate any Redemption Amount or the amount of an instalment of scheduled principal (an “**Instalment Amount**”), obtain any quote or make any determination or calculation, the Agent Bank (or the Calculation Agent, if applicable) will determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Specified Denomination of Bonds for the relevant Interest Period (including, for the avoidance of doubt any applicable Index Ratio to be calculated in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable), calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount, Principal Amount Outstanding or any Instalment Amount to be notified to, in the case of Bearer Bonds, the Paying Agents or in the case of Registered Bonds, the Registrar, and, in each case, the Bond Trustee, the Issuer, the Bondholders and the Stock Exchange as soon as possible after its determination but in no event later than (i) (in case of notification to the Stock Exchange by which the relevant Bonds have then been admitted to listing, trading and/or quotation) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date 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. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Sub-Class or Class of Bonds are for the time being listed or by which they have been admitted to listing, to the Principal Paying Agent, the Bond Trustee and to the Bondholders in accordance with Condition 17 (*Notices*). If the Bonds become due and payable under Condition 11 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Bonds shall nevertheless continue to be calculated as previously provided 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 Bond Trustee. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Agent Bank (or the Calculation Agent, if applicable) or, as the case may be, the Bond Trustee pursuant to this Condition 6 or Condition 7 (*Indexation*), shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

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

“**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day; 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 the principal financial centre of the Relevant Currency (which in the case of a payment in U.S. dollars shall be New York) and in each (if any) additional city or cities specified as the Relevant Financial Centre in the relevant Final Terms,

provided that when “Business Day” is used in relation to (a) a payment of principal or interest that will ultimately be used to make a payment on any Wrapped Bond or (b) any notice delivered in connection with such a payment, a day will only be a Business Day if it is also a business day (howsoever defined) for the purposes of the relevant Financial Guarantee;

“**Bond Relevant Date**” means, in respect of any Class, Sub-Class or Tranche of the Bonds, the earlier of (a) the date on which all amounts in respect of the Bonds have been paid, and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Bonds in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Bondholders in accordance with Condition 17 (*Notices*);

“**Calculation Amount**” means the amount specified as such in the relevant Final Terms;

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

- (i) if “**Actual/Actual (ICMA)**” is specified:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by

the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of;

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (i) if “**Actual/365**” or “**Actual/Actual**” is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366, and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (1) 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 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 (2) 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));
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation

Period, the last day of such 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);

- (vii) if “**Actual/Actual Canadian Compound Method**” is specified, whenever it is necessary to compute any amount of accrued interest in respect of the Bonds for a period of less than one full year, other than in respect of any regular semi-annual interest payments, such interest will be calculated on the basis of the actual number of days in the Calculation Period and a year of 365 days;
- (viii) if “**Australian Bond Basis**” is specified, one divided by the number of Interest Payment Dates in each twelve month period.

“**euro**” means the lawful currency of the Participating Member States;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms;

“**Interest Determination Date**” means, with respect to an Interest Rate and an Interest Period, the date specified as such in the relevant Final Terms which shall not be less than five Business Days in London prior to the first day of such Interest Period (or if the specified currency is sterling the first day of such Interest Period) (as adjusted in accordance with any Business Day Convention specified in the relevant Final Terms) unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate) or, if none is so specified, the day falling five Business Days in London prior to the first day of such Interest Period (or if the specified currency is sterling the first day of such Interest Period) (as adjusted in accordance with any Business Day Convention specified in the relevant Final Terms);

“**Interest Payment Date**” means the date(s) specified as such in the relevant Final Terms;

“**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 Bonds and which is either specified as such in, or calculated in accordance with the provisions of, these Conditions and/or the relevant Final Terms;

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.) and for the avoidance of doubt, the definition of ‘Fallback Observation Day’ in the ISDA Definitions as applicable shall be deemed

deleted in its entirety and replaced with the following: “‘Fallback Observation Day’ means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date”;

“**Issue Date**” means the date specified as such in the relevant Final Terms;

“**Margin**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms;

“**Maturity Date**” means the date specified in the relevant Final Terms as the final date on which the principal amount of the Bond is due and payable;

“**Participating Member State**” means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities (as amended), and “**Participating Member States**” means all of them;

“**Principal Amount Outstanding**” means, in relation to a Bond, Sub-Class or Class, the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Bond, Sub-Class or Class provided that, with respect to Zero Coupon Bonds, where the Principal Amount Outstanding of each Bond is required to be calculated on any date other than the Scheduled Redemption Date it shall be calculated in accordance with the following formula:

The original face value thereof * (1 + Accrual Yield) ^ N

Where:

N = number of years between the Issue Date and the date on which the relevant calculation is required to be made; and

“**Accrual Yield**” shall have the meaning specified as such in the relevant Final Terms.

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 Final Terms for the purposes of the definition of “Principal Amount Outstanding” or, if none is so specified, a Day Count Fraction of 30/360;

“**Redemption Amount**” means the amount provided under Condition 8(d) (*Optional Redemption*), unless otherwise specified in the relevant Final Terms;

“**Reference Banks**” means the institutions specified as such or, if none, four major banks selected by the Issuer in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Agent Bank (or the Calculation Agent, if applicable), on behalf of the Issuer, in its sole and absolute discretion;

“**Relevant Currency**” means the currency specified as such or, if none is specified, the currency in which the Bonds are denominated;

“**Relevant Financial Centre**” means, with respect to any Bond, the financial centre specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the Relevant Rate is most closely connected as determined by the Agent Bank (or the Calculation Agent, if applicable);

“**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 relevant Final Terms);

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including the Reuters Money 3000 Service (“**Reuters**”)) as may be specified in the relevant Final Terms, 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;

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms 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;

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

“**Scheduled Redemption Date**” has the meaning given to it in the applicable Final Terms;

“**Specified Duration**” means, with respect to any Floating Rate (as defined in the ISDA Definitions) to be determined on an Interest Determination Date, the period or duration specified as such in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Period;

“**Step-Up Fixed Fee Rate**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero;

“**Step-Up Floating Fee Rate**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero;

“**sub-unit**” means in the case of any currency, the lowest amount of such currency that was available as legal tender in the country of such currency;

“**TARGET Settlement Day**” means any day on which the TARGET system is open; and

“**TARGET system**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer system (TARGET or TARGET2).

(j) ***Agent Bank, Calculation Agent and Reference Banks***

The Issuer will procure that there shall at all times be an Agent Bank (and a Calculation Agent, if applicable) and four Reference Banks selected by the Issuer with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to this Bond and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will select another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Agent Bank (or the Calculation Agent, if applicable) is unable or unwilling to act as such or if the Agent Bank (or the Calculation Agent, if applicable) fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint (with the prior written consent of the Bond Trustee) a successor to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

(k) ***Determination or Calculation by Bond Trustee***

If the Agent Bank (or the Calculation Agent, if applicable) does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by it, the Bond Trustee shall (without liability for so doing) determine such Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Bond Trust Deed) it shall deem 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, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Agent Bank (or the Calculation Agent, if applicable).

(l) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 6 (*Interest and Other Calculations*) whether by the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer, each Obligor, the Agent Bank, the Bond Trustee, the Principal Paying Agent, the other Agents and all Bondholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Obligors, the Bond Trustee, the Bondholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Agent Bank or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(m) ***Benchmark Discontinuation***

(i) ***Independent Adviser***

If a Benchmark Event occurs in relation to an Original Relevant Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Relevant Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(m)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6(m)(iii)) and any Benchmark Amendments (in accordance with Condition 6(m)(iv)).

An Independent Adviser appointed pursuant to this Condition 6(m) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Bond Trustee, the Paying Agents, the Bondholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6(m).

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(m)(iii)) subsequently be used in place of the Original Relevant Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the relevant Bonds (subject to the operation of this Condition 6(m)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(m)(iii)) subsequently be used in place of the Original Relevant Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the relevant Bonds (subject to the operation of this Condition 6(m)).

(iii) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendment*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(m) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate,

Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(m)(v), without any requirement for the consent or approval of Bondholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice and the Bond Trustee shall (without any requirement for the consent or approval of Bondholders and regardless of whether or not the Benchmark Amendment constitutes a Basic Terms Modification) concur with the Issuer in making any such variations provided that it receives the certificate specified in Condition 6(m)(v) below. Notwithstanding any other provision of this Condition 6(m), the Bond Trustee shall not be obliged to agree to any Benchmark Amendments which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Bond Trustee in the Transaction Documents and/or these Conditions.

In connection with any such variation in accordance with this Condition 6(m)(iv), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(m) will be notified promptly by the Issuer to the Bond Trustee, the Agent Bank, the Calculation Agent (if applicable), the Paying Agents and, in accordance with Condition 17, the Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Bond Trustee of the same, the Issuer shall deliver to the Bond Trustee a certificate (on which the Bond Trustee shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) that the Issuer has consulted with an Independent Adviser, (iii) the Successor Rate or, as the case may be, the Alternative Rate and, (iv) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(m); and
- (B) certifying that the Benchmark Amendments (i) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and (ii) in each case, have been drafted solely to such effect.

The Issuer shall display such certificate at its offices, for inspection by the Bondholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of

manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and) be binding on the Issuer, the Bond Trustee, the Calculation Agent, the Paying Agents and the Bondholders.

(vi) *Survival of Original Relevant Rate*

Without prejudice to the obligations of the Issuer under Conditions 6(m)(i), (ii), (iii) and (iv), the Original Relevant Rate and the fallback provisions provided for in Conditions 6(c) will continue to apply unless and until the Agent Bank or the Calculation Agent, as applicable, has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 6(m)(v).

(vii) *Definitions*

As used in this Condition:

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Bondholders and Couponholders as a result of the replacement of the Original Relevant Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Relevant Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Relevant Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

“**Alternative Rate**” means an alternative to the Relevant Rate which the Issuer determines in accordance with Condition 6(m)(ii) has replaced the Original Relevant Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the relevant Bonds.

“**Benchmark Amendments**” has the meaning given to it in Condition 6(m)(iv).

“**Benchmark Event**” means:

- (i) the Original Relevant Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Relevant Rate that it will, by a specified date within the following six months, cease publishing the Original Relevant Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Relevant Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Relevant Rate that the Original Relevant Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Relevant Rate that means the Original Relevant Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;
- (v) it has become unlawful for any Paying Agent, the Agent Bank, the Calculation Agent (if applicable) or the Issuer to calculate any payments due to be made to any Bondholder using the Original Relevant Rate; or
- (vi) a change in the generally accepted market practice in the bond market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other regulatory body or authority equivalent to the foregoing in any relevant jurisdiction, including the Working Group on Sterling Risk-Free Relevant Rates, despite the continued existence of the Original Relevant Rate.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 6(m)(i).

“**Original Relevant Rate**” means the originally-specified Relevant Rate used to determine the Interest Rate (or any component part thereof) on the Bonds.

“**Relevant Nominating Body**” means, in respect of a Relevant Rate:

- (i) the central bank for the currency to which the Relevant Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Relevant Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the

Relevant Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Relevant Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Relevant Rate which is formally recommended by any Relevant Nominating Body.

7. Indexation

This Condition 7 is applicable only if the relevant Final Terms specify the Bonds as Indexed Bonds.

7.1 UK Retail Price Index

Where UK Retail Price Index is specified as the Index or Index Figure (each as defined below) in the relevant Final Terms, this Condition 7.1 will apply. For the purposes of this Condition 7.1, unless the context otherwise requires, the following defined terms shall have the following meanings:

“**affiliate**” means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, “control” means control as defined in the Companies Act;

“**Base Index Figure**” means (subject to Condition 7.1(b)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms;

“**Index**” or “**Index Figure**” means, subject as provided in Condition 7.1(b)(i) (*Change in base*), the UK Retail Price Index (RPI) (for all items) published by the Central Statistical Office and available to view at www.statistics.gov.uk (January 1987 = 100) or any comparable index which may replace the UK Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Any reference to the Index Figure:

- (i) if paragraph (i) of this definition is specified as “applicable” in the Final Terms, applicable to a particular month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication;
- (ii) applicable to the first calendar day of any month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) applicable to any other day in any month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between (x)

the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (ii) above, and (y) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (ii) above, and rounded in accordance with Condition 6(f) (*Rounding*).

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary prospectus;

“**Index Ratio**” applicable to any day or month, as the case may be, means the Index Figure applicable to such day or month, as applicable, divided by the Base Index Figure;

“**Limited Index Ratio**” means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

“**Limited Indexation Factor**” means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

“**Limited Indexation Month**” means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

“**Limited Indexed Bonds**” means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies; and

“**Reference Gilt**” means the Treasury Stock specified as such in the relevant Final Terms for so long as such stock is in issue, and thereafter such issue of index-linked Treasury Stock determined to be appropriate by a gilt-edged market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an “**Indexation Adviser**”).

(a) *Application of the Index Ratio*

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Bonds applicable to the day on which such payment falls to be made and rounded in accordance with Condition 6(f) (*Rounding*).

(b) *Changes in Circumstances Affecting the Index*

- (i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of “**Index**” and “**Index Figure**” in Condition 7.1 shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.
- (ii) Delay in publication of Index: If the Index Figure relating to any month (the “**relevant month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the relevant month shall be (1) such substitute index figure (if any) as the Bond Trustee considers to have been published by the UK Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Bond Trustee); or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7.1(b)(ii)(1)) before the date for payment.

(c) *Application of Changes*

Where the provisions of Condition 7.1(b)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7.1(b)(ii)(2), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7.1(b)(ii)(2), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(d) *Cessation of or Fundamental Changes to the Index*

- (i) If (1) the Bond Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
- (ii) If the Issuer and the Bond Trustee fail to reach agreement as mentioned above within 20 business days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Bond Trustee or, failing agreement on and the making of such appointment within 20 business days following the expiry of the 20 business day period referred to above, by the Bond Trustee (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.
- (iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in Condition 7.1(d)(i) but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7.1(b)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a “**provisional payment**”) on the Bonds having been made on the basis of an Index applicable under Condition 7.1(b)(ii)(1) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7.1(d) (*Cessation of or Fundamental Changes to the Index*), then:
- (A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by

which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or

- (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, each Relevant Financial Guarantor, the other Issuer Secured Creditors, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 17 (Notices) of such amendments as promptly as practicable following such notification.

7.2 HICP

Where HICP (as defined below) is specified as in the Index or Index Level (each as defined below) in the relevant Final Terms, this Condition 7.2 will apply. For the purposes of this Condition 7.2, unless the context otherwise requires, the following defined terms shall have the following meanings:

“Base Index Level” means the base index figure as specified in the relevant Final Terms;

“Index” or **“Index Level”** means (subject as provided in Condition 7.2(b) the non-revised Harmonised Index of Consumer Prices excluding tobacco or relevant Successor Index (as defined in Condition 7.2(b)(ii)), measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by Eurostat (the **“HICP”**). The first publication or announcement of a level of such index for a calculation month (as defined in Condition 7.2(b)(i)) shall be final and conclusive and later revisions to the level for such calculation month will not be used in any calculations. Any reference to the Index Level which is specified in these Conditions as applicable to any day ("d") in any month ("m") shall, subject as provided in Condition 7.2(b), be calculated as follows:

$$I_d = \text{HICP}_{m-3} + \frac{\text{nb}d}{\text{qm}} \times \left(\text{HICP}_{m-2} - \text{HICP}_{m-3} \right)$$

where:

I_d is the Index Level for the day d

HICP_{m-2} is the level of HICP for month m-2

HICP_{m-3} is the level of HICP for month m-3

nbd is the actual number of days from and excluding the first day of month m to but including day d; and

qm is the actual number of days in month m,

provided that if Condition 7.2(b) applies, the Index Level shall be the Substitute Index Level determined in accordance with such Condition.

"Index Business Day" means a day on which the TARGET system is operating;

"Index Determination Date" means in respect of any date for which the Index Level is required to be determined, the fifth Index Business Day prior to such date;

"Index Ratio" applicable to any date means the Index Level applicable to the relevant Index Determination Date divided by the Base Index Level and rounded to the nearest fifth decimal place, 0.000005 being rounded upwards; and

"Related Instrument" means an inflation-linked bond selected by the Calculation Agent that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity date after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. The Calculation Agent will select the Related Instrument from such of those inflation-linked bonds issued on or before the relevant Issue Date and, if there is more than one such inflation-linked bond maturing on the same date, the Related Instrument shall be selected by the Calculation Agent from such of those bonds. If the Related Instrument is redeemed, the Calculation Agent will select a new Related Instrument on the same basis, but selected from all eligible bonds in issue at the time the originally selected Related Instrument is redeemed (including any bond for which the redeemed originally selected Related Instrument is exchanged).

(a) ***Application of the Index Ratio***

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio applicable to the date on which such payment falls to be made and rounded in accordance with Condition 6(f).

(b) ***Changes in Circumstances Affecting the Index***

(i) Delay in publication of Index:

(A) If the Index Level relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Level for any date (the "**Relevant Level**") has not been published or announced by the day that is five Business Days before the date on which such payment is due (the "**Affected Payment Date**"), the Calculation Agent shall determine a Substitute Index Level (as defined

below) (in place of such Relevant Level) by using the following methodology:

(1) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument;

(2) if (1) above does not result in a Substitute Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

Substitute Index Level = Base Level x (Latest Level / Reference Level)

where:

"Base Level" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

"Latest Level" means the latest level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) prior to the month in respect of which the Substitute Index Level is being calculated; and

"Reference Level" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

(B) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 7.2(b) will be the definitive level for that calculation month.

(ii) Cessation of publication: If the Index Level has not been published or announced for two consecutive months or Eurostat announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a successor index in lieu of any previously applicable Index (the **"Successor Index"**) by using the following methodology:

(A) if at any time a successor index has been designated by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms

and conditions of the Related Instrument, such successor index shall be designated the "**Successor Index**" for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraphs (B), (C) or (D) below; or

- (B) if a Successor Index has not been determined under paragraph (A) above and a notice has been given or an announcement has been made by Eurostat (or any successor entity which publishes such index) specifying that the Index will be superseded by a replacement index specified by Eurostat (or any such successor), and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index from the date that such replacement index comes into effect; or
 - (C) if a Successor Index has not been determined under paragraphs (A) or (B) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "**Successor Index**". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "**Successor Index**". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (D) below;
 - (D) if no Successor Index has been determined under paragraphs (A), (B) or (C) above on or before the fifth Index Business Day prior to the next Affected Payment Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed the "**Successor Index**";
 - (E) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer and the Bondholder shall, in conjunction with the Calculation Agent, determine an appropriate alternative index.
- (iii) **Rebasing of the Index:** If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for the purposes of determining each relevant Index Level from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made.

- (iv) **Material Modification Prior to Interest Payment Date:** If, on or prior to the day that is five Business Days before an Interest Payment Date, Eurostat announces that it will make a material change to the Index then the Calculation Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Instrument.
- (v) **Manifest Error in Publication:** If, within thirty days of publication, the Calculation Agent determines that Eurostat (or any successor entity which publishes such index) has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will notify the parties of (A) that correction, (B) the amount that is payable as a result of that correction and (C) take such other action as it may deem necessary to give effect to such correction.

7.3 **UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs**

Where either UK Consumer Price Index or UK Consumer Price Index including owner occupier's housing costs are specified as the Index or Index Figure (each as defined below) in the relevant Final Terms, this Condition 7.3 will apply. For the purposes of this Condition 7.3, unless the context otherwise requires, the following defined terms shall have the following meanings:

"affiliate" means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, "control" means control as defined in the Companies Act;

"Base Index Figure" means (subject to Condition 7.3(b)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms;

"CPI" means the UK Consumer Price Index (CPI) (for all items) published by the Office for National Statistics (2015 = 100) and available to view at www.statistics.gov.uk or any comparable index which may replace the UK Consumer Price Index for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any);

"CPIH" means the UK Consumer Price Index including owner occupier's housing costs (CPIH) (for all items) published by the Office for National Statistics (2015 = 100) and available to view at www.statistics.gov.uk or any comparable index which may replace the UK Consumer Price Index including owner occupier's housing costs for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any);

"Index" or **"Index Figure"** means, subject as provided in Condition 7.3(b)(i) (*Change in base*), either CPI or CPIH, as applicable. Any reference to the Index Figure:

- (i) applicable to the first calendar day of any month shall, subject as provided in Condition 7.3(b) (*Changes in Circumstances Affecting the Index*) and 7.3(d)

(*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or

- (ii) applicable to any other day in any month shall, subject as provided in Condition 7.3(b) (*Changes in Circumstances Affecting the Index*) and 7.3(d) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (i) above, and (y) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (i) above, and rounded to the nearest fifth decimal place.

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary prospectus;

“Indexed Benchmark Gilt” means the index-linked sterling obligation of the United Kingdom Government listed on the Official List of the Financial Conduct Authority (in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended) and traded on the London Stock Exchange whose average maturity most closely matches that of the Bonds as a gilt-edged market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an **“Indexation Adviser”**) shall determine to be appropriate;

“Index Ratio” applicable to any day or month, as the case may be, means the Index Figure applicable to such day or month, as applicable, divided by the Base Index Figure and rounded to the nearest fifth decimal place;

“Limited Index Ratio” means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

“Limited Indexation Factor” means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

“Limited Indexation Month” means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

“Limited Indexed Bonds” means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies; and

(a) ***Application of the Index Ratio***

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Bonds applicable to the day on which such payment falls to be made and rounded in accordance with Condition 6(f) (*Rounding*).

(b) ***Changes in Circumstances Affecting the Index***

- (i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of “**Index**” and “**Index Figure**” in Condition 7.3 shall be deemed to refer to the new date or month in substitution for 2015 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.
- (ii) Delay in publication of Index: If the Index Figure relating to any month (the “**relevant month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the relevant month shall be (1) such substitute index figure (if any) as the Bond Trustee considers, acting solely on the advice of the Indexation Adviser, to have been published by the UK Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation of payments on the Index Benchmarked Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Bond Trustee acting solely on the advice of the Indexation Adviser); or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7.3(b)(ii)(1)) before the date for payment.

(c) ***Application of Changes***

Where the provisions of Condition 7.3(b)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7.3(b)(ii)(2), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7.3(b)(ii)(2), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
 - (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (d) *Cessation of or Fundamental Changes to the Index*
- (i) If (1) the Bond Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
 - (ii) If the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Bond Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 Business Day period referred to above, by the Bond Trustee acting solely on the advice of the Indexation Adviser (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.

- (iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in Condition 7.3(d)(i) but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7.3(b)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a “**provisional payment**”) on the Bonds having been made on the basis of an Index applicable under Condition 7.3(b)(ii)(1) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7.3(d) (*Cessation of or Fundamental Changes to the Index*), then:
- (A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or
- (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee acting solely on the advice of the Indexation Adviser and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, each Relevant Financial Guarantor, the other Issuer Secured Creditors, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 17 (*Notices*) of such amendments as promptly as practicable following such notification.

8. Redemption, Purchase and Cancellation

(a) *Scheduled Redemption*

Unless previously redeemed in full, or purchased and cancelled as provided below, or unless such Bond is stated in the relevant Final Terms as having no fixed maturity

date, each Sub-Class of Bonds will be redeemed on the Scheduled Redemption Date as follows and to the following extent:

- (i) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Borrower Loan Agreement) of a principal amount equal to the Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) of such Sub-Class, then the Bonds of such Sub-Class will be redeemed in full (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into); and
- (ii) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Borrower Loan Agreement) of a principal amount less than the Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*)) of such Sub-Class, then the Bonds of such Sub-Class will be redeemed pro rata in part to the extent of the amount which is so deposited (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into).

If the Bonds of a Sub-Class are not redeemed in full by the Scheduled Redemption Date, then on each Interest Payment Date which thereafter occurs, the Bonds of such Sub-Class will be redeemed in full or, as the case may be, *pro rata* in part to the extent of the principal amount (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into or, if there is no longer a Cross Currency Hedging Agreement in place and the Sub-Class is denominated in a currency other than the currency of the related advance, at a spot rate of exchange) which, if any, is received by the Issuer in repayment of the related advance(s) (in accordance with the provisions of the relevant Borrower Loan Agreements) until the earlier of (a) such time as such Sub-Class of Bonds is redeemed in full or (b) the Maturity Date specified in the relevant Final Terms for such Sub-Class.

(b) ***Final Redemption***

If the Bonds of a Sub-Class have not previously been redeemed in full, or purchased and cancelled, the Bonds will be finally redeemed at the then Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs –*

Application of the Index Ratio), as applicable) of such Sub-Class plus accrued but unpaid interest on the Maturity Date specified in the relevant Final Terms for such Sub-Class.

In the case of principal on Class B Unwrapped Bonds only, if, on any date on or after the Maturity Date but prior to the delivery of a Bond Enforcement Notice on which such Bond is to be redeemed (in whole or in part), there are insufficient funds available to the Issuer to pay such principal, the Issuer's liability to pay such principal will be treated as not having fallen due and will be deferred until the earliest of (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of the Issuer Cash Management Agreement, sufficient funds to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which all Senior Debt has been paid in full and (iii) the date on which a Bond Enforcement Notice has been delivered. Interest will accrue on such deferred principal at the rate otherwise payable on unpaid principal of such Class B Unwrapped Bonds immediately prior to the Maturity Date.

(c) ***Redemption of Zero Coupon Bonds after Scheduled Redemption Date***

If the relevant Final Terms specifies that there is a Scheduled Redemption Date for the Bonds, the Redemption Amount payable upon redemption of a Zero Coupon Bond at any time after the Scheduled Redemption Date shall be an amount equal to the sum of:

- (i) the Redemption Amount that would have been payable if the Bond had been redeemed on the Scheduled Redemption Date; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to such amount from (and including) the Scheduled Redemption Date to (but excluding) the date of redemption or (as the case may be) the date upon which the Bond 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 Final Terms for the purposes of Condition 8(j) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, "**Accrual Yield**" has the meaning given to it in the relevant Final Terms.

(d) ***Optional Redemption***

Subject as provided below, upon giving not more than 60 nor less than 30 days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders, the Issuer may (prior to the Maturity Date) redeem any Sub-Class of the Bonds in whole or in part (but on a pro rata basis only) on any Interest Payment Date at their Redemption Amount, provided that Floating Rate Bonds may not be redeemed before the date (if any) specified in the relevant Final Terms, as follows:

- (i) In respect of Fixed Rate Bonds denominated in sterling, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to

(A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) their Principal Amount Outstanding and (ii) the price determined to be appropriate by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Redemption Yield (as defined below) on such Bonds on the Reference Date (as defined below) is equal to the Gross Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) while that stock is in issue, and thereafter such UK Government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee), determine to be appropriate, plus accrued but unpaid interest on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(i), “**Gross Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the UK Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” (published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002) page 5 or any replacement therefor plus 0.50 per cent. or such other percentage rate over or under such Reference Gilt (if any) as specified in the relevant Final Terms or Drawdown Prospectus and, for the purposes of such calculation, the date of redemption of the relevant Fixed Rate Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(i); and “**Reference Gilt**” means the Treasury Stock specified in the relevant Final Terms.

- (ii) In respect of Floating Rate Bonds, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms) plus any accrued but unpaid interest on the Principal Amount Outstanding.
- (iii) In respect of Indexed Bonds which specify either the (i) UK Retail Prices Index; (ii) UK Consumer Price Index; or (iii) UK Consumer Price Index including owner occupier’s housing costs as the Index in the relevant Final Terms and which are denominated in sterling, the Redemption Amount will (unless otherwise specified in a Drawdown Prospectus) be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest (as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*) (as applicable)) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) the Principal Amount Outstanding and (ii) the price determined to be appropriate (without any additional indexation beyond the implicit indexation in such determined price) by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Real Redemption Yield (as defined below) on the Bonds on the Reference

Date (as defined below) is equal to the Gross Real Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt or Indexed Benchmark Gilt (as applicable) while that stock is in issue, and thereafter such UK Government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee), determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*) (as applicable) on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(iii), “**Gross Real Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the UK Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002, page 4 or any replacement therefor plus 0.50 per cent. or such other percentage rate over or under such Reference Gilt or Indexed Benchmark Gilt (if any) as specified in the relevant Final Terms or Drawdown Prospectus, provided that, for the purpose of calculating the Gross Real Redemption Yield on Index Linked Bonds in respect of which CPI (or UK Consumer Price Index) or CPIH (or UK Consumer Price Index including owner occupier’s housing costs) is specified as the applicable Index, any references to RPI (or the UK Retail Price Index) therein shall be read and construed as references to, as applicable, CPI or CPIH, if CPI or CPIH is not covered by such publication, and for the purposes of such calculation, the date of redemption of the relevant Indexed Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(iii); and “**Reference Gilt**” shall have the meaning specified in Condition 7.1 (*UK Retail Price Index*) and “**Indexed Benchmark Gilt**” shall have the meaning specified in Condition 7.3 (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs*).

- (iv) In respect of Indexed Bonds which specify HICP as the Index in the relevant Final Terms and are denominated in euro, the Redemption Amount will (unless otherwise specified in a Drawdown Prospectus) be the Principal Amount Outstanding (plus any premium for early redemption (as specified in the relevant Final Terms or Drawdown Prospectus) plus any accrued but unpaid interest up to and including the date of redemption (in each case, as adjusted in accordance with Condition 7.2(a) (*HICP – Application of the Index Ratio*)).
- (v) In respect of Fixed Rate Bonds denominated in euro, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) their Principal Amount Outstanding and (ii) the present value at the Reference Date (as defined below) of (1)

their Principal Amount Outstanding plus (2) all required interest payments due on the Bonds (excluding accrued but unpaid interest to the date on which the Bonds are to be redeemed (the “**Redemption Date**”)), computed using a discount rate equal to the Bund Rate as of the Reference Date plus 0.50 per cent. or such other percentage rate over or under such Bund Rate (if any) as specified in the relevant Final Terms or Drawdown Prospectus and assuming the relevant Fixed Rate Bonds would otherwise have been redeemed on the Scheduled Redemption Date, plus, in either case, accrued but unpaid interest to the Redemption Date.

For the purposes of this Condition 8(d)(v), “**Bund Rate**” means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination; “**Comparable German Bund Issue**” means the German Bundesanleihe security specified in the relevant Final Terms or, if no such security is specified or the specified security is no longer in issue, the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Reference Date to the Scheduled Redemption Date and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then Principal Amount Outstanding of the Bonds and of a maturity most nearly equal to the Scheduled Redemption Date provided, however, that if the period from such Redemption Date to the Scheduled Redemption Date is less than one year, a fixed maturity of one year shall be used; “**Comparable German Bund Price**” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Financial Adviser obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; “**Financial Adviser**” means a financial adviser in Frankfurt (selected by the Issuer and approved by the Bond Trustee); “**Reference Date**” means the date which is three Business Days prior to the dispatch of the notice of redemption under this Condition 8(d)(v); “**Reference German Bund Dealer**” means any dealer of German *Bundesanleihe* securities appointed by the Financial Adviser; and “**Reference German Bund Dealer Quotations**” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Financial Adviser of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference German Bund Dealer at or about 3:30 p.m. (Frankfurt, Germany time) on the Reference Date.

- (vi) In respect of Fixed Rate Bonds denominated in U.S. dollars, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds (i) the Principal Amount Outstanding plus

(ii) the accrued but unpaid interest on the Principal Amount Outstanding, plus the greater of (1) one per cent. of the Principal Amount Outstanding and (2) the excess of: (I) the present value as of the Reference Date of the redemption price of the Sub-Class of Bonds at the Scheduled Redemption Date, plus all required interest payments that would otherwise be due to be paid on the Sub-Class of Bonds during the period between such Reference Date and the Scheduled Redemption Date, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury Rate (as defined below) at such Reference Date plus 0.50 per cent. or such other percentage rate over or under such Treasury Rate (if any) specified in the relevant Final Terms and assuming the relevant Fixed Rate Bonds would otherwise have been redeemed on the Scheduled Redemption Date, over (II) the Principal Amount Outstanding on such Reference Date.

“Treasury Rate” means, with respect to any Reference Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Scheduled Redemption Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, where:

“Comparable Treasury Issue” means the U.S. Treasury security selected by any Reference Treasury Dealer as having a maturity comparable to the remaining term of the Sub-Class of Bonds from the Reference Date to the Scheduled Redemption Date that would be utilised at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the Scheduled Redemption Date;

“Comparable Treasury Price” means, with respect to any redemption date, if clause (ii) of the definition of “Treasury Rate” is applicable, the average of all Reference Treasury Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations;

“Federal Reserve System” means the central banking system of the United States;

“**Reference Treasury Dealer**” means any primary U.S. government securities dealer appointed by the Issuer; and

“**Reference Treasury Dealer Quotations**” means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and ask prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00p.m. New York City time, on the third Business Day immediately preceding such redemption date.

- (vii) In respect of Fixed Rate Bonds denominated in Canadian dollars, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the greater of (i) the Principal Amount Outstanding and (ii) the Canada Yield Price, in each case, plus accrued but unpaid interest on the Principal Amount Outstanding (if any).

For the purposes of this Condition 8(d)(vii), “**Canada Yield Price**” means an amount equal to the sum of the present values of all remaining scheduled payments of principal and interest (not including any portion of payment of interest accrued as of the date of redemption) from the redemption date to the respective due dates for such payments until maturity of the Bonds (and, for the purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) computed on a semi-annual basis by discounting such payments (assuming a 365 day year) to the redemption date at the Government of Canada Yield plus such percentage rate over or under such Government of Canada Yield (if any) specified in the relevant Final Terms; “**Government of Canada Yield**” means, with respect to any redemption date, the mid-market yield to maturity on the third business day (“**Determination Date**”) preceding the redemption date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100 per cent. of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of the Bonds (and, for the purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) from such redemption date, such yield to maturity being the average of the yields provided by two Canadian investment dealers selected from time to time by the Issuer at noon (Toronto time) on such Determination Date.

- (viii) In respect of Fixed Rate Bonds denominated in Australian dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.

- (ix) In respect of Fixed Rate Bonds denominated in Norwegian krone, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (x) In respect of Fixed Rate Bonds denominated in Japanese yen, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xi) In respect of Fixed Rate Bonds denominated in Singapore dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xii) In respect of Fixed Rate Bonds denominated in Hong Kong dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xiii) In respect of Fixed Rate Bonds denominated in Swedish krona, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.

In any such case, prior to giving any such notice, the Issuer must certify (as further specified in the Finance Documents) to the Bond Trustee that it will have the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Bonds as aforesaid.

(e) ***Redemption for Index Event, Taxation or Other Reasons***

Redemption for Index Reasons: Upon the occurrence of any Index Event (as defined below), the Issuer may, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors and the holders of the Indexed Bonds in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Indexed Bonds of all Sub-Classes on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), as applicable) plus accrued but unpaid interest. No single Sub-Class of Indexed Bonds may be redeemed in these circumstances unless all the other Classes and Sub-Classes

of Indexed Bonds linked to the same underlying Index are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Bond Trustee, the Issuer Secured Creditors and any Relevant Financial Guarantor(s) a certificate signed by an authorised signatory (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption.

If the UK Retail Price Index is specified as the index in the relevant Final Terms, “**Index Event**” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7.1(b)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Agent Bank (or Calculation Agent, if applicable) that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing;

If HICP is specified as the Index in the relevant Final Terms, “**Index Event**” means if the Index Level has not been published or announced for two consecutive months or Eurostat announces that it will no longer continue to publish or announce the Index and no Successor Index has been determined under Condition 7.2(b)(ii)(A)(B)(C) or (D) and the Issuer and the Bondholders (in conjunction with the Calculation Agent) have been unable to reach agreement on an appropriate alternative index within a period of 10 Business Days; and

If either the UK Consumer Price Index or UK Consumer Price Index including owner occupier’s housing costs is specified as the index in the relevant Final Terms, “**Index Event**” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7.3(b)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Agent Bank (or Calculation Agent, if applicable) that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Indexed Benchmark Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing.

Redemption for Taxation Reasons: In addition, if at any time the Issuer satisfies the Bond Trustee, (a) that the Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the UK or Jersey or any political subdivision thereof, or any other authority thereof or any change in the application or official interpretation of such laws or regulations (“**Taxes**”); (b) that Heathrow would on the next Interest Payment Date be required to make any

withholding or deduction for or on account of any Taxes from payments in respect of a Borrower Loan Agreement; (c) that the Issuer or an Issuer Hedge Counterparty would be required to make any withholding or deduction for or on account of any Taxes from payments in respect of an Issuer Hedging Agreement; or (d) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Initial Issue Date that it has or will become unlawful for the Issuer to perform any of its obligations under the Borrower Loan Agreements or to fund or to maintain its participation in the Borrower Loans, then the Issuer may, in order to avoid the relevant deductions, withholding or illegality but is not obliged to, (i) use its reasonable endeavours to arrange the substitution of a company incorporated under the laws of another jurisdiction approved by the Bond Trustee as principal debtor under the Bonds and as lender under the Borrower Loan Agreements and as obligor under the Finance Documents upon satisfying the conditions for substitution of the Issuer as set out in Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) or (ii) convert any Bearer Bonds into Registered Bonds in accordance with Condition 2(a) (*Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds*) if such conversion will be effective to avoid the relevant deduction or withholding. If the Issuer is unable to arrange a substitution as described above having used reasonable endeavours to do so and a conversion of Bearer Bonds to Registered Bonds would not prevent any withholding or deduction and, as a result, the relevant deduction or withholding is continuing then the Issuer may, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Bonds of the affected Class or Sub-Class on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Bonds, in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), as applicable). Before giving any such notice of redemption, the Issuer shall provide to the Bond Trustee and the Issuer Secured Creditors and each Relevant Financial Guarantor a certificate signed by a director of the Issuer (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to discharge all its liabilities in respect of the Bonds of the affected Class or Sub-Class and any amounts under the Security Agreement to be paid in priority to, or *pari passu* with, such Bonds under the Issuer Payment Priorities.

(f) ***Early Redemption on Prepayment of Borrower Loan Agreements***

If:

- (i) Heathrow gives notice to the Issuer under a Borrower Loan Agreement that it intends to prepay all or part of any advance made under such Borrower Loan Agreement or Heathrow is required to prepay all or part of any advance made under a Borrower Loan Agreement (including (A) following a Designated Airport Disposal after the

occurrence of a Trigger Event which is continuing or (B) following the delivery of a Loan Acceleration Notice out of any sums credited to the Debt Collateralisation Account); and

- (ii) in each case, such advance was funded by the Issuer from the proceeds of the issue of a Class or Sub-Class of Bonds.

The Issuer shall, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors, each Relevant Financial Guarantor and the Bondholders in accordance with Condition 17 (*Notices*) (where such advance is being prepaid in whole), redeem all of the Bonds of that Sub-Class or (where part only of such advance is being prepaid) the proportion of the relevant Sub-Class of Bonds which the proposed prepayment amount bears to the amount of the relevant advance.

In the case of a voluntary prepayment, the relevant Bonds will be redeemed at their Redemption Amount determined in accordance with Condition 8(d) (*Optional Redemption*) except that, in the case of Fixed Rate Bonds and Indexed Bonds, for the purposes of this Condition 8(f), "**Reference Date**" means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 8(f), plus accrued but unpaid interest and, in the case of any other prepayment, the relevant Bonds will be redeemed at their Principal Amount Outstanding plus accrued but unpaid interest.

In the case of any prepayment out of the net proceeds of a Designated Airport Disposal following the occurrence of a Trigger Event which is continuing and after the date on which an amount equal to the initial aggregate amount drawn under the Refinancing Facility has been repaid to the Refinancing Facility Providers, (i) Call Protected Floating Rate Bonds of any Sub-Class will be redeemed at an amount (the "**Par Redemption Amount**") equal to their Principal Amount Outstanding or the relevant portion thereof available for redemption, plus accrued but unpaid interest on the Principal Amount Outstanding or the relevant portion thereof available for redemption to (but excluding) the date of redemption and (ii) Fixed Rate Bonds and Indexed Bonds of any Sub-Class will be redeemed at an amount (the "**Modified Redemption Amount**") equal to the lower of (x) the Principal Amount Outstanding of the relevant Bonds or the relevant portion thereof available for redemption and (y) (in the case of Fixed Rate Bonds or Indexed Bonds denominated in sterling) an amount calculated by multiplying the Principal Amount Outstanding of such Bonds or the relevant portion thereof available for redemption by that price (expressed as a percentage) (as reported in writing to the Issuer and the Bond Trustee by a financial adviser nominated by the Issuer and approved by the Bond Trustee) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Bonds on the Reference Date is equal to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in euro) at the Redemption Amount calculated in accordance with Condition 8(d)(v) provided that the reference in such calculation to the Bund Rate shall be construed as a reference to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in a currency other than sterling or euro or Indexed Bonds denominated in a currency other than sterling) the Redemption Amount calculated in accordance with the relevant Final Terms, plus, in any case, accrued but unpaid

interest (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) on the Principal Amount Outstanding or the relevant portion thereof available for redemption to (but excluding) the date of redemption.

Notwithstanding the foregoing, no redemption of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds shall be made in respect of any Sub-Class of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds at such Par Redemption Amount or, as the case may be, Modified Redemption Amount unless sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Sub-Class of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds, duly convened and held in accordance with the Bond Trust Deed.

For the purposes of this Condition 8(f), “**Call Protected Floating Rate Bonds**” means any Floating Rate Bonds, the Final Terms in respect of which, at the proposed date of redemption, would oblige the Issuer to pay a premium to par upon the optional early redemption of such Floating Rate Bonds; “**Redemption Rate**” means the sum of the Relevant Swap Mid Curve Rate and 0.50 per cent. per annum or, if the Relevant Swap Mid Curve Rate is not able to be determined, the sum of such rate as may be approved by the Bond Trustee and 0.50 per cent. per annum; “**Gross Redemption Yield**” has the meaning given to it (in the case of Fixed Rate Bonds) in Condition 8(d)(i) or (in the case of Indexed Bonds) in Condition 8(d)(iii); “**Relevant Swap Mid Curve Rate**” means the mid-point of the bid-side and offer-side rates for the fixed leg of a hypothetical interest rate swap with a notional profile equal to the interest profile applicable to the relevant Sub-Class of Bonds to be redeemed to (but excluding) the Scheduled Redemption Date, with the same payment dates as the relevant Bonds, against a floating leg of the Relevant Interest Rate, with no spread, where such hypothetical interest rate swap is between two highly-rated (AA- or equivalent or higher) and fully collateralised market counterparties (the Relevant Swap Mid Curve Rate shall be determined by a financial adviser (nominated by the Issuer and approved by the Bond Trustee) using its standard valuation methodology (as at the date of calculation) as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date; and “**Relevant Interest Rate**” means the rate of interest for deposits in the currency of the relevant Bonds and of a duration equal to the length of the Interest Period (other than the first or last Interest Period, if different) of the relevant Bonds as determined as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date by reference to: Reuters screen LIBOR01 (if the relevant Bonds are denominated in sterling, U.S. dollars or Japanese yen), Reuters screen EURIBOR01 (if the relevant Bonds are denominated in euro), Reuters screen LIBOR02 (if the relevant Bonds are denominated in Swiss francs), Reuters screen BBSW (if the relevant Bonds are denominated in Australian dollars), Reuters screen CDOR (if the relevant Bonds are denominated in Canadian dollars), the Oslo Børs’ webpage (if the relevant Bonds are denominated in Norwegian krone), Reuters screen ABSFIX1 (if the relevant Bonds are denominated in Singapore dollars), Reuters screen HKABHIBOR (if the relevant

Bonds are denominated in Hong Kong dollars), Reuters screen SIDE (if the relevant Bonds are denominated in Swedish krona), or the Reuters screen (or other page) specified in the relevant Final Terms or such other page as may replace such page or, if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Bond Trustee) as may replace the Reuters screen (or other page) (if the relevant Bonds are denominated in any other currency).

(g) ***Early redemption following Loan Enforcement Notice***

If the Issuer receives (or is to receive) any monies from any Obligor following the service of a Loan Enforcement Notice in repayment of all or any part of a Borrower Loan, the Issuer shall, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors, each Relevant Financial Guarantor and the Bondholders in accordance with Condition 17 (*Notices*) apply such monies in accordance with the Issuer Pre-Enforcement Priority of Payments or the Issuer Post-Enforcement Priority of Payments, as applicable, and redeem (to the extent of such monies as are available in accordance with the relevant Issuer Payment Priorities) each Sub-Class of the then outstanding Bonds (corresponding to the advance under the Borrower Loan Agreement which is prepaid in accordance with the provisions of the Borrower Post-Enforcement (Pre-Acceleration) Principal Priority of Payment, if applicable) at their Principal Amount Outstanding plus accrued but unpaid interest on the next Interest Payment Date (or, if sooner, Maturity Date). In the event that there are insufficient monies to redeem all of the Bonds outstanding of a particular Class, the Bonds of such Class shall be redeemed in part in the proportion which the Principal Amount Outstanding of such Class to be redeemed bears to the Principal Amount Outstanding of such Class.

(h) ***Early redemption of Zero Coupon Bonds***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Bond at any time before the Scheduled Redemption 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 Bond 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 Final Terms for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, “**Accrual Yield**” and “**Reference Price**” have the meanings given to them in the relevant Final Terms.

(i) ***Purchase of Bonds***

The Issuer may, provided that no Bond Event of Default has occurred and is continuing, purchase Bonds (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. Any purchase by tender shall be made available to all Bondholders alike.

If not all the Bonds which are in registered form are to be purchased, upon surrender of the existing Individual Bond Certificate, the Registrar shall forthwith upon the written request of the Bondholder concerned issue a new Individual Bond Certificate in respect of the Bonds which are not to be purchased and despatch such Individual Bond Certificate to the Bondholder (at the risk of the Bondholder and to such address as the Bondholder may specify in such request).

While the Bonds are represented by a Global Bond or Global Bond Certificate, the relevant Global Bond or Global Bond Certificate will be endorsed to reflect the Principal Amount Outstanding of Bonds to be so redeemed or purchased.

(j) ***Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Bond which provides for Instalment Dates (as specified in the relevant Final Terms) and Instalment Amounts (as specified in the relevant Final Terms) will be partially redeemed on each Instalment Date at the Instalment Amount.

(k) ***Cancellation***

Any Bearer Bonds or Registered Bonds purchased by or on behalf of the Issuer or by an Obligor using the net proceeds of a Designated Airport Disposal pursuant to paragraph 6(b)(ii) of part 3 of schedule 3 to the Common Terms Agreement, shall be surrendered to or to the order of the Principal Paying Agent or the Registrar, as the case may be, for cancellation and, if so surrendered, will, together with all Bonds redeemed by the Issuer, be cancelled forthwith (together with, in the case of Bearer Bonds, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

9. Payments

(a) ***Bearer Bonds***

Payments to the Bondholders of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Bonds 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 final redemption and provided that the Receipt is presented for payment together with its relative Bond), Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged*

Talons) or Coupons (in the case of interest, save as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States of America and its possessions by transfer to an account denominated in the currency in which such payment is due with, or (in the case of Bonds in definitive form only) a cheque payable in that currency drawn on, a bank in (i) the principal financial centre of that currency provided that such currency is not euro, or (ii) the principal financial centre of any Participating Member State if that currency is euro.

No payment of principal and/or interest in respect of a Bearer Bond with an original maturity of more than 365 days will be made by a transfer of funds into an account maintained by the payee in the United States or by mailing a cheque to an address in the United States, except as provided in Condition 9(c) (*Payments in the United States of America*).

(b) ***Registered Bonds***

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation and surrender of the relevant Registered Bond at the specified office of the Registrar and in the manner provided in Condition 9(a) (*Bearer Bonds*).

Payments of instalments in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation of the relevant Registered Bond at the specified office of the Registrar in the manner provided in Condition 9(a) (*Bearer Bonds*) above and annotation of such payment on the Register and the relevant Bond Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Bonds payable on any Interest Payment Date will be paid to the holder (or the first named if joint holders) on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payment of interest or Interest Amounts on each Registered Bond will be made in the currency in which such payment is due by cheque drawn on a bank in (a) the principal financial centre of the country of the currency concerned, provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the Bondholder to the specified office of the Registrar before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro.

A record of each payment so made will be endorsed on the schedule to the Global Bond or the Global Bond Certificate by or on behalf of the Principal Paying Agent or

the Registrar, as the case may be, which endorsement shall be prima facie evidence that such payment has been made.

(c) ***Payments in the United States of America***

Notwithstanding the foregoing, if any Bearer Bonds 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:

- (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bonds in the manner provided above when due;
- (ii) 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
- (iii) such payment is then permitted by the law of the United States of America, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

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

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 9. No commission or expenses shall be charged to the Bondholders, Couponholders or Receiptholders (if any) in respect of such payments.

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

(e) ***Appointment of the Agents***

The Paying Agents, the Agent Bank, the Transfer Agents, the Exchange Agent and the Registrar (the “**Agents**”) appointed by the Issuer (and their respective specified offices) are listed in the Agency Agreement. Any Calculation Agent will be listed in the relevant Final Terms and will be appointed pursuant to a Calculation Agency Agreement. 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, with the prior written consent of the Bond Trustee 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 (in the case of Bearer Bonds), (ii) a Registrar (in the case of Registered Bonds), (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms) (in the case of Floating Rate Bonds or Indexed Bonds) and (iv) if and for so long as the Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange

and/or quotation system which requires the appointment of a Paying Agent, Transfer Agent or Registrar in any particular place, a Paying Agent, Transfer Agent and/or Registrar, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system, which, while any Bonds are admitted to the Official List of the UK Listing Authority and/or admitted to trading on the London Stock Exchange – Regulated Market shall be in London. Notice of any such variation, termination or appointment will be given in accordance with Condition 17 (*Notices*).

(f) ***Unmatured Coupons and Receipts and Unexchanged Talons***

- (i) Subject to the provisions of the relevant Final Terms, upon the due date for redemption of any Bond which is a Bearer Bond (other than a Fixed Rate Bond, unless it has all unmaturing Coupons attached), unmaturing Coupons and Receipts relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the date for redemption of any Bond, any unmaturing Talon relating to such Bond (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Bond which is redeemable in instalments, all Receipts relating to such Bond 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.
- (iv) Where any Bond, which is a Bearer Bond and is a Fixed Rate Bond, is presented for redemption without all unmaturing Coupons and any unexchanged Talon relating to it, a sum equal to the aggregate amount of the missing unmaturing Coupons will be deducted from the amount of principal due for payment and, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Bond is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, or the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Bond and Coupon.

(g) ***Non-Business Days***

Subject as provided in the relevant Final Terms, if any date for payment in respect of any Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means (i) in respect of payments on a Global Bond or a Global Bond Certificate, the cities referred to in the definition of Business Days and (ii) otherwise, a day (other than a Saturday or a Sunday) on which banks are open for presentation and on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency.

(h) ***Talons***

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Bond, 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 (*Prescription*)).

10. Taxation

All payments in respect of the Bonds, Receipts or Coupons will be made (whether by the Issuer, any Paying Agent, the Registrar, the Bond Trustee or, in respect of Wrapped Bonds, the Relevant Financial Guarantor or, in respect of the LHR Guaranteed Bonds, by the Bond Guarantor) 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 or the Registrar or, where applicable, the Bond Trustee or the Relevant Financial Guarantor or the Bond Guarantor is required by applicable law to make any payment in respect of the Bonds, 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, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor, 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. None of the Issuer, any Paying Agent, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor will be obliged to make any additional payments to the Bondholders, Receiptholders or the Couponholders in respect of such withholding or deduction. The Issuer, any Paying Agent, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

If the Issuer is obliged to make any such deduction or withholding, the amount so deducted or withheld is not guaranteed by any Relevant Financial Guarantor.

11. Bond Events of Default

(a) ***Bond Event of Default***

Each and any of the following events shall be treated as a “**Bond Event of Default**”:

- (i) Non-payment: default is made by the Issuer in the payment of principal in respect of any Sub-Class or Tranche of the Most Senior Class of Bonds when due in accordance with these Conditions, or default is made by the Issuer for a period of 3 Business Days in the payment of interest on any Sub-Class or Tranche of the Most Senior Class of Bonds when due in accordance with these Conditions;
- (ii) Breach of other obligations: default is made by the Issuer in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under the Bonds or the Issuer Transaction Documents

(other than any obligation whose breach would give rise to the Bond Event of Default provided for in this Condition 11(a)) and, except where in the opinion of the Bond Trustee the such default is not capable of remedy, such default continues for a period of 30 Business Days;

- (iii) Insolvency Event: an Insolvency Event occurs in relation to the Issuer; or
- (iv) Unlawfulness: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Documents.

(b) ***Delivery of Bond Enforcement Notice***

If any Bond Event of Default occurs and is continuing and, in the case of the Bond Event of Default described in Condition 11(a)(ii) above, the Bond Trustee has certified in writing that, in its opinion, the happening of such event is materially prejudicial to the interests of the holders of each sub-class of the Most Senior Class of Bonds, the Bond Trustee (i) may, at any time, at its discretion and (ii) shall, upon being so directed in writing by Issuer Qualifying Creditors together holding or representing 25 per cent or more of the Issuer Qualifying Debt, deliver a Bond Enforcement Notice to the Issuer provided that, in either case, it is indemnified and/or secured to its satisfaction.

(c) ***Confirmation of no Bond Event of Default***

The Issuer, pursuant to the terms of the Bond Trust Deed, shall provide written confirmation to the Bond Trustee, on an annual basis, that no Bond Event of Default has occurred.

(d) ***Consequences of the delivery of a Bond Enforcement Notice***

Upon delivery of a Bond Enforcement Notice in accordance with Condition 11(b) (*Delivery of Bond Enforcement Notice*): (i) all Classes of the Bonds then outstanding shall immediately become due and repayable at their respective Principal Amount Outstanding (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) plus accrued but unpaid interest (other than in the case of Zero Coupon Bonds) and, in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) and (ii) the Issuer Security shall become enforceable by the Bond Trustee in accordance with the Issuer Deed of Charge provided that the OFCA Floating Security shall only become enforceable in accordance with the Obligor Floating Charge Agreement.

- (e) ***“Issuer Qualifying Creditors”*** means, in respect of Issuer Qualifying Debt:

- (i) for so long as any Class A Bonds remain outstanding, the holders of the Class A Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class A Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class A Wrapped Bonds in relation to which an FG Event of Default is continuing) the holders of such Tranche or Sub-Class of Class A Wrapped Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class A Bonds;
- (ii) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the holders of the Class B Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class B Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class B Wrapped Bonds in relation to which an FG Event of Default if continuing) the holders of such Tranche or Sub-Class of Class B Wrapped Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class B Bonds;
- (iii) if there are no Class A Bonds or Class B Bonds then outstanding, the holders of the Subordinated Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Subordinated Bonds.

(f) ***“Issuer Qualifying Debt”*** means:

- (i) for so long as any Class A Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class A Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class A Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions;
- (ii) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class B Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class B Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions; or
- (iii) if there are no Class A Bonds or Class B Bonds then outstanding, the sum of (i) the Principal Amount Outstanding of the Subordinated Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Subordinated Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions.

12. Enforcement Against Issuer

No Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditor is entitled to take any action against the Issuer or, in the case of the holders of Wrapped Bonds, against the Relevant Financial Guarantor, or against any assets of the Issuer or any Relevant Financial Guarantor to enforce its rights in respect of the Bonds or to enforce any of the Issuer Security or to enforce any Financial Guarantee unless the Bond Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. The Bond Trustee shall, subject to being indemnified and/or secured to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing, upon being so directed in writing by Issuer Qualifying Creditors together holding or representing 25 per cent or more of the Issuer Qualifying Debt, enforce the Issuer Security in accordance with the Issuer Deed of Charge.

Neither the Bond Trustee, the Bondholders, the Receiptholders, the Couponholders or the other Issuer Secured Creditors may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a Receiver pursuant to the terms of the Issuer Deed of Charge) or other proceeding under any similar law for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.

13. Prescription

Claims against the Issuer for payment in respect of the Bonds, 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 Bond Relevant Date (as defined in Condition 6(i) (*Definitions*)) in respect thereof.

14. Replacement of Bonds, Coupons, Receipts and Talons

If any Bearer Bond, Registered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of the Stock Exchange, at the specified office of the Principal Paying Agent or, as the case may be, the Registrar 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 Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. Meetings of Bondholders, Modification, Waiver and Substitution

(a) ***Meetings of Bondholders, Modifications and Waiver***

The Bond Trust Deed contains provisions for convening meetings of Bondholders of a Sub-Class, Class or Classes to consider matters affecting their interests, including the modification of these Conditions, the Bond Trust Deed and (in the case of Wrapped Bonds) the Financial Guarantees relating to such Wrapped Bonds and any other Issuer Transaction Document to which the Bond Trustee is a party or in relation to which it

holds security. Subject to Condition 15(d), any modification may (except in relation to any Ordinary Voting Matter or Extraordinary Voting Matter or matter giving rise to an Entrenched Right (as described in further detail in Condition 15(b) below), SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice and subject to the provisions concerning ratification and/or meetings of particular combinations of Sub-Classes of Bonds as set out in Condition 15(c) and the Bond Trust Deed), be made if sanctioned by a resolution passed at a meeting of the Bondholders of the relevant Sub-Class, Class or Classes duly convened and held in accordance with the Bond Trust Deed by a majority of not less than three quarters of the votes cast (an “**Extraordinary Resolution**”) of such Bondholders. Such a meeting may be convened by the Bond Trustee or the Issuer, or by the Issuer (failing which the Bond Trustee) upon the request in writing of the Bondholders holding not less than one tenth of the aggregate Principal Amount Outstanding of the relevant outstanding Bonds.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders, whatever the Principal Amount Outstanding of the relevant outstanding Bonds held or represented, provided however, that certain proposals (the “**Basic Terms Modifications**”) in respect of the holders of any particular Sub-Class of Bonds being any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of such Sub-Class of Bonds, to reduce the amount of principal or the rate of interest payable on any date in respect of such Sub-Class of Bonds or (other than as specified in Conditions 7 and 8) to alter the method of calculating the amount of any payment in respect of such Sub-Class of Bonds on redemption or maturity;
- (ii) other than pursuant to Condition 15(d), to effect the exchange, conversion or substitution of such Sub-Class of Bonds for, or their conversion into shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (iii) to change the currency in which amounts due in respect of such Sub-Class of Bonds are payable other than pursuant to redenomination into euro pursuant to Condition 19;
- (iv) having the effect of adversely changing the Issuer Payments Priorities or application thereof in respect of such Sub-Class of Bonds provided that alterations to introduce the Subordinated Bonds will not be deemed to affect any Sub-Class of Class A Bonds or Class B Bonds where “**adversely**” means, in respect of any change to the Issuer Payments Priorities, a change which has the effect of changing the priority of the Issuer Secured Creditors relative to each other provided that the creation of payments which rank subordinate to an Issuer Secured Creditor shall not be an adverse change in respect of an Issuer Secured Creditor;
- (v) in relation to any Sub-Class of Wrapped Bonds, to approve the release of the Relevant Financial Guarantee or the substitution of the Relevant Financial Guarantor;

(vi) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or

(vii) to amend this definition or this Condition,

may be sanctioned only by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Sub-Class or Sub-Classes of Bonds at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate Principal Amount Outstanding of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the relevant Bondholders, Receipholders and Couponholders whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of Bondholder meetings under the Bond Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

A meeting of such Bondholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Bond Trustee in connection with the exercise by the Bond Trustee of any of its rights, powers and discretions under the Issuer Transaction Documents including, to appoint any persons (whether Bondholders or not) as a committee to represent the interests of such Bondholders and to confer upon such committee any powers which such Bondholders could themselves exercise by Extraordinary Resolution and, where requested by the Bond Trustee, in relation to voting or providing directions under or in connection with the STID.

(b) ***Relationship with Borrower Secured Creditors***

STID Proposals: The STID provides that in respect of, among other things, Ordinary Voting Matters and Extraordinary Voting Matters, SSA Instruction Notices, Emergency SSA Instruction Notices, Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notices and Further Enforcement Instruction Notices (each as defined in the STID) the Most Senior Class of holders of Unwrapped Bonds shall be entitled to instruct the Bond Trustee to vote and (other than following an FG Event of Default in relation to the Relevant Financial Guarantor), each Relevant Financial Guarantor will vote in respect of each Class or Sub-Class of Wrapped Bonds in respect of which it has provided a Financial Guarantee instead of the Issuer.

In respect of any Unwrapped Bonds (or following the occurrence of an FG Event of Default, the relevant Wrapped Bonds), any Bondholder who is a Bondholder of the Most Senior Class of Unwrapped Bonds (or following the occurrence of an FG Event of Default, the relevant Wrapped Bonds) will vote solely by instructing the Bond Trustee to vote on its behalf as its Secured Creditor Representative (as defined in the STID) in connection with the STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notice or Further Enforcement Instruction Notice. Voting in connection with such STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice,

Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notice or Further Enforcement Instruction Notice shall be determined on a pound-for-pound basis by reference to the Outstanding Principal Amount owed to each of the relevant Participating QBS Creditors, so that all votes in favour of the proposal and against the proposal from the Participating QBS Creditors, each Relevant Financial Guarantor and the other Participating QBS Creditors who are not Bondholders or Relevant Financial Guarantors are considered on an aggregated basis, irrespective of whether a majority of such holders of Unwrapped Bonds and Relevant Financial Guarantors are in favour of or against the proposal.

For the purpose of voting in connection with a STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, the Security Group Agent (in the case of a STID Proposal) or, as the case may be, the Borrower Security Trustee shall send a copy of such proposal or request for instructions to the Secured Creditor Representatives of the Issuer. The Bond Trustee shall promptly forward a copy of such notice to the Qualifying Bondholders in accordance with Condition 17 (*Notices*) requesting them to instruct the Bond Trustee how to vote. After obtaining the instruction of the Qualifying Bondholders, the Bond Trustee will vote in relation to the relevant STID Voting Request in accordance with such instructions.

Irrespective of the result of voting in relation to a proposed STID Proposal in respect of an Ordinary Voting Matter or an Extraordinary Voting Matter or in relation to an SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, any such STID Proposal or decision in respect of an SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice approved in accordance with the provisions of the STID shall be binding on all of the Bondholders, Receipholders and Couponholders.

If a STID Proposal gives rise to an Entrenched Right whereby the Issuer is an Affected Borrower Secured Creditor, the Bond Trustee shall forthwith, in accordance with the Bond Trust Deed, convene a meeting of (i) the holders of each Class, Sub-Class or Tranche of Unwrapped Bonds, (ii) if an FG Event of Default is continuing in respect of a Financial Guarantor the holders of the relevant Class, Sub-Class or Tranche of Wrapped Bonds, and (iii) in respect of an Entrenched Right which constitutes a Basic Terms Modification, the holders of each Class, Sub-Class or Tranche of Wrapped Bonds then outstanding and affected by such Entrenched Right.

No STID Proposal that gives rise to an Entrenched Right whereby the Issuer is an Affected Borrower Secured Creditor can be approved, in accordance with the terms of the STID, unless it has previously been approved by an Extraordinary Resolution of the holders of the relevant Classes, Sub-Classes or Tranches of Bonds, or relevant Financial Guarantor, if applicable, affected by the Entrenched Right.

(c) ***Relationship between Classes***

In relation to each Sub-Class of Bonds:

- (i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Sub-Class of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds (to the extent that there are Bonds outstanding in each such other Sub-Class); and
- (ii) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Sub-Class of Bonds shall be effective unless it is sanctioned by (i) an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class (to the extent that there are Bonds outstanding ranking equally or senior to such Sub-Class) unless the Bond Trustee considers that the interests of the holders of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class would not be materially prejudiced by the implementation of such Extraordinary Resolution, and for the avoidance of doubt as regards ranking, Class B Bonds are subordinate to the Class A Bonds or (ii), in respect of any Sub-Class of Wrapped Bonds in respect of which no FG Event of Default is continuing in respect of the Relevant Financial Guarantor, the Relevant Financial Guarantor;
- (iii) Conditions 15(a) and (b) in respect of meetings are subject to the further provisions of the Bond Trust Deed.

(d) ***Modification, waiver and substitution***

As more fully set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditor, concur with the Issuer or any other relevant parties in making (i) any modification to the Conditions or the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if in the opinion of the Bond Trustee such modification is made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (ii) any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if the Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders of the Most Senior Class of Bonds then outstanding provided that to the extent such modification under (ii) above relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

As more fully set out in the Issuer Deed of Charge (and subject to the conditions and qualifications therein), if the Issuer proposes to issue Subordinated Bonds, the Bond Trustee may, provided that it has received a Ratings Confirmation in relation to the

then ratings of the outstanding Bonds, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or any other Issuer Secured Creditor other than any Relevant Issuer Secured Creditor at any time and from time to time concur with the Issuer and any other relevant parties in making any modifications proposed by the Issuer (other than in respect of a Basic Terms Modification or an Entrenched Right) to (i) the Issuer Payment Priorities set out in the Issuer Deed of Charge and the Issuer Cash Management Agreement and (ii) to the Master Definitions Agreement to give effect to any amendments to or to incorporate any additional defined terms relating to the Subordinated Bonds provided that each of the Relevant Issuer Secured Creditors (if any) has given its prior written consent to such modifications.

The Bond Trustee is authorised to execute and deliver on behalf of each Issuer Secured Creditor other than the Relevant Issuer Secured Creditors all documentation required to implement such modification and such execution by the Bond Trustee shall bind each of the Bondholders, the Receiptholders, the Couponholders and such Issuer Secured Creditors as if (in the case of such Issuer Secured Creditors) such documentation had been duly executed by it.

As more fully set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Bond Event of Default, from time to time, and at any time but only if and in so far as in its opinion the interests of the Bondholders of the Most Senior Class of Bonds then outstanding shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document (other than a Common Document) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute a Bond Event of Default shall not be treated as such for the purposes of the Bond Trust Deed provided that to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched right, each of the affected Issuer Secured Creditors has given its prior written consent and provided further that the Bond Trustee shall not exercise such powers in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Bonds then outstanding or of a request in writing made by holders of not less than 25 per cent. in aggregate of the principal amount of the Most Senior Class of Bonds then outstanding, but no such direction or request shall affect any waiver or authorisation previously given or made or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification.

Any such modification, waiver or authorisation shall be binding on the Bondholders of that Sub-Class, Class or Classes and the holders of all relevant Receipts and Coupons and the other Issuer Secured Creditors and, unless the Bond Trustee agrees otherwise, notice thereof shall be given by the Issuer to the Bondholders of that Sub-Class, Class or Classes as soon as practicable thereafter.

Notwithstanding that none of the Bond Trustee, the Bondholders or the other Issuer Secured Creditors may have any right of recourse against the Rating Agencies in respect of any Ratings Confirmation given by them and relied upon by the Bond Trustee, the Bond Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Bonds or any Issuer Transaction Document, that such exercise will not be materially prejudicial to the interests of the Bondholders if the Rating Agencies have provided a Ratings Confirmation. Without prejudice to the foregoing, the Bondholders are deemed to agree for the benefit of the Rating Agencies only that a credit rating is, however, an assessment of credit and does not address other matters that may be of relevance to Bondholders. The Bond Trustee and the Bondholders agree and acknowledge that being entitled to rely on the fact that the Rating Agencies have delivered a Ratings Confirmation does not impose or extend any actual or contingent liability for the Rating Agencies to the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person or create any legal relations between the Rating Agencies and the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person whether by way of contract or otherwise.

As more fully set forth in the Bond Trust Deed (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or any other Issuer Secured Creditor, also agree with the Issuer, subject, for as long as there are any Wrapped Bonds outstanding, to the prior written consent of each Relevant Financial Guarantor (in respect of which no FG Event of Default is continuing), to the substitution of another corporation in place of the Issuer as principal debtor in respect of the Bond Trust Deed and the Bonds of all Series and subject to the Class A Wrapped Bonds continuing to carry the unconditional guarantee of the Relevant Financial Guarantor.

16. Bond Trustee Protections

(a) *Trustee considerations*

Subject to Condition 16(b) (*Exercise of rights by Bond Trustee*), in connection with the exercise, under these Conditions, the Bond Trust Deed, any Financial Guarantee, any LHR Bond Guarantee or Issuer Transaction Document, of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Bond Trustee shall have regard to the interests of the holders of the Most Senior Class of Bonds then outstanding provided that, if, in the Bond Trustee's opinion, there is a conflict of interest between the holders of two or more Tranches or Sub-Classes of Bonds of the same Class (or, if there are no Class A or Class B Bonds outstanding, the Subordinated Bonds), it shall have regard to the interests of the holders of the Tranche or Sub-Class of such Class (or the Subordinated Bonds, as the case may be) then outstanding with the greatest Principal Amount Outstanding and will not have regard to the consequences of such exercise for the holders of other Tranches or Sub-Classes of Bonds or for individual Bondholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Bond Trustee shall not be entitled to require from the Issuer or any Relevant Financial Guarantor, nor shall any Bondholders be entitled to claim from the Issuer, any Relevant Financial Guarantor or

the Bond Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Bondholders of any such exercise.

(b) *Exercise of rights by Bond Trustee*

Except as otherwise provided in these Conditions, the STID and the Bond Trust Deed, when exercising any rights, powers, trusts, authorities and discretions relating to or contained in these Conditions or the Bond Trust Deed or any other Issuer Transaction Document (other than in determining or in respect of any Ordinary Voting Matter or Extraordinary Voting Matter relating to the Bonds, in respect of which the relevant Financial Guarantor shall be required to vote in accordance with the STID, or any Basic Terms Modification, which shall require the vote of the relevant Bondholders), which affect or relate to any Class A Wrapped Bonds and/or Class B Wrapped Bonds, the Bond Trustee shall only act on the instructions of the Relevant Financial Guarantor(s) (provided no FG Event of Default has occurred and is continuing) in accordance with the provisions of the Bond Trust Deed and the Bond Trustee shall not be required to have regard to the interests of the Bondholders in relation to the exercise of such rights, powers, trusts, authorities and discretions and shall have no liability to any Bondholders as a consequence of so acting. As a consequence of being required to act only on the instructions of the Relevant Financial Guarantor(s) in the circumstances referred to in the previous sentence, the Bond Trustee may not, notwithstanding the provisions of these Conditions, be entitled to act on behalf of the holders of any Sub-Classes of Bonds.

Subject as provided in these Conditions and the Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, the Bond Trust Deed, the Conditions, any Financial Guarantee and any Issuer Transaction Documents in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has (i) (a) been so requested in writing by the holders of at least 25 per cent. in nominal amount of the relevant Sub-Classes of Bonds outstanding or (b) been so directed by an Extraordinary Resolution and (ii) been indemnified and/or furnished with security to its satisfaction.

17. Notices

Notices to holders of Registered Bonds will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Bondholders will be valid if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the Stock Exchange. Any such notice (other than to holders of Registered Bonds 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 holders of Bearer Bonds in accordance with this Condition 17.

So long as any Bonds are represented by Global Bonds or Global Bond Certificates, notices in respect of those Bonds may be given only by delivery of the relevant notice

to Euroclear Bank S.A./N.V. as operator of the Euroclear System or Clearstream Banking, société anonyme, DTC or any other relevant clearing system as specified in the relevant Final Terms for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in London. Such notices shall be deemed to have been received by the Bondholders on the day of delivery to such clearing systems.

The Bond Trustee will provide each Rating Agency, at its request, from time to time and provided that the Bond Trustee will not contravene any law or regulation in so doing, with all notices, written information and reports that the Bond Trustee makes available to the Bondholders of any Class or Sub-Class except to the extent that such notices, information or reports, contain information confidential to third parties.

18. Indemnification Of The Bond Trustee

(a) *Indemnification of the Bond Trustee*

The Bond Trust Deed contains provisions for indemnification of the Bond Trustee, and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer, any Relevant Financial Guarantor and/or any other person unless indemnified and/or secured to its satisfaction. The Bond Trustee or any of its affiliates (as defined in Condition 7 (*Indexation*)) are entitled to enter into business transactions with the Issuer, any Relevant Financial Guarantor, the other Issuer Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom. Save as otherwise provided in these Conditions or any Issuer Transaction Document the Bond Trustee will only be required to take any action under or in relation to, or to enforce or protect the Issuer Security, or a document referred to therein, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of then outstanding Bonds or if so requested in writing by holders of at least 25 per cent. in nominal amount of the holders of the Most Senior Class of then outstanding Bonds (or in respect of the Wrapped Bonds, the relevant Financial Guarantor) and in all cases if indemnified and/or secured to its satisfaction provided that the Bond Trustee has agreed that it is indemnified to its satisfaction in respect of the OFCA Floating Security as described in the Obligor Floating Charge Agreement.

(b) *Directions, Duties and Liabilities*

The Bond Trustee, in the absence of its own wilful misconduct, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the holders of the Most Senior Class of Unwrapped Bonds and in respect of the Wrapped Bonds, each relevant Financial Guarantor (and following the occurrence of an FG Event of Default which is continuing or, in respect of any direction relating to a Basic Terms Modification, the holders of the most Senior Class of Wrapped Bond, then outstanding) shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non-exercise of any consent, waiver, power, trust, authority or discretion vested in the Bond Trustee pursuant to the Issuer Deed of Charge or any ancillary document.

19. European Economic and Monetary Union

(a) *Notice of redenomination*

The Issuer may, without the consent of the Bondholders, and on giving at least 30 days' prior notice to the Bondholders, the Relevant Financial Guarantors, the Bond Trustee and the Principal Paying Agent, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Bonds falling on or after the date on which the UK becomes a Participating Member State.

(b) *Redenomination*

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Bonds of each Sub-Class denominated in sterling (the "**Sterling Bonds**") shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Bond equal to the principal amount of that Bond in sterling, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended, (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Issuer determines, with the agreement of the Bond Trustee, that the then current market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Bondholders, the London Stock Exchange and any stock exchange (if any) on which the Bonds are then listed and the Principal Paying Agent of such deemed amendments;
- (ii) if Bonds have been issued in definitive form:
 - (A) all Bonds denominated in sterling will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Bondholders and the Bond Trustee that replacement Bonds denominated in euro are available for exchange (provided that such Bonds are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Bonds denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Bonds in accordance with this Condition 19) shall remain in full force and effect; and
 - (C) new Bonds denominated in euro will be issued in exchange for Sterling Bonds in such manner as the Principal Paying Agent or the Registrar, as the case may be, may specify and as shall be notified to the Bondholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Sterling Bonds (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a sub-division of the euro,

payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Participating Member State; and

(iv) a Bond may only be presented for payment on a day which is a business day in the place of presentation.

(c) **Interest**

Following redenomination of the Bonds pursuant to this Condition 19:

- (i) where Sterling Bonds have been issued in definitive form, the amount of interest due in respect of the Sterling Bonds will be calculated by reference to the aggregate principal amount of the Sterling Bonds presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01; and
- (ii) the amount of interest payable in respect of each Sub-Class of Sterling Bonds for any Interest Period shall be calculated by applying the Interest Rate applicable to the Sub-Class of Bonds denominated in euro ranking *pari passu* to the relevant Sub-Class.

20. Subordinated Bonds

The Issuer shall be at liberty, without the consent of the Bondholders, the Couponholders or the Receiptholders or any other Issuer Secured Creditor, but subject always to the provisions of these Conditions, the Issuer Deed of Charge and the Bond Trust Deed, to raise funds, from time to time, on any date through the creation and issue of subordinated bonds which rank subordinate to the Class A Bonds and the Class B Bonds provided that:

- (a) the aggregate principal amount of Subordinated Bonds to be issued on such date is not less than £5,000,000 (or the Equivalent Amount);
- (b) Ratings Confirmation is obtained in relation to the then ratings of the Class A Bonds and the Class B Bonds;
- (c) the Subordinated Bonds shall not rank, in point of payment or security, ahead of the Subordinated Step-Up Fee Amounts, the Issuer Subordinated Hedge Amounts or the Liquidity Subordinated Amount;
- (d) the Bond Trustee has received a legal opinion in form and substance satisfactory to it in relation to the enforceability and the ranking of the obligations of the Issuer under the Subordinated Bonds from a reputable London law firm; and
- (e) no Bond Event of Default is outstanding or would occur as a result of such issue.

21. Limited Recourse

Each of the Bondholders agrees with the Issuer that notwithstanding any other provision of the Issuer Transaction Documents, all obligations of the Issuer to the

Bondholders, including its obligations under the Bonds and the Issuer Transaction Documents, are limited in recourse as set out below:

- (a) it will have a claim only in respect of the Issuer Charged Property;
- (b) the aggregate amount of all sums due and payable to the Bondholders in respect of the Issuer's obligations to such Bondholders shall reduce by the amount by which the aggregate amount of sums due and payable to the Bondholders exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable by the Issuer in accordance with the Issuer Payment Priorities in priority to or *pari passu* with sums payable to such Bondholders), whether pursuant to enforcement of the Issuer Security or otherwise; and
- (c) upon the Bond Trustee giving written notice to the Bondholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents and the Bonds, the Bondholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

22. Miscellaneous

(a) *Governing Law*

The Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons (if any), each Financial Guarantee (if any) and the other Issuer Transaction Documents are, and all matters arising from or in connection with such documents shall be governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons, each Financial Guarantee (if any) and the other Issuer Transaction Documents and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Coupons, the Receipts, the Talons (if any) the relevant Financial Guarantee (if any) and/or the Finance Documents may be brought in such courts. The Issuer has in each of the Finance Documents to which it is a party irrevocably submitted to the jurisdiction of such courts.

(c) *Third Party Rights*

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

(d) *Rights Against Issuer*

Under the Bond Trust Deed, persons shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to interests in the Bonds will (subject to the terms of the Bond Trust Deed) acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Bond or Global Bond Certificate became void, they had been the registered Holders of Bonds in an aggregate principal amount equal to the principal amount of Bonds they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

(e) *Clearing System Accountholders*

References in the Conditions of the Bonds to “**Bondholder**” are references to the bearer of the relevant Global Bond or the person shown in the records of the relevant clearing system as the holder of the Global Bond Certificate.

Each of the persons shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, as being entitled to an interest in a Global Bond or a Global Bond Certificate (each an “**Accountholder**”) must look solely to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or, in the case of Wrapped Bonds, each Relevant Financial Guarantor, to such Accountholder and in relation to all other rights arising under the Global Bond or Global Bond Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Bond or Global Bond Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system (as the case may be) from time to time. For so long as the relevant Bonds are represented by a Global Bond or Global Bond Certificate, Accountholders shall have no claim directly against the Issuer or, in the case of Wrapped Bonds, the Relevant Financial Guarantor in respect of payments due under the Bonds and such obligations of the Issuer and, in the case of Wrapped Bonds, the Relevant Financial Guarantor will be discharged by payment to the bearer of the Global Bond or the registered holder of the Global Bond Certificate, as the case may be.

Part 2
Form of Permanent Global Bond

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “U.S. PERSON”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “U.S. RESIDENT”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[*currency*][*amount*]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

LHR AIRPORTS LIMITED

(incorporated in England and Wales with limited liability)]¹¹

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])¹²]

PERMANENT GLOBAL BOND

1. INTRODUCTION

1.1 The Bonds

This Permanent Global Bond is issued in respect of the bonds (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) described in the Final Terms (the “**Final Terms**”) a copy of which is annexed hereto. The Bonds:

1.1.1 [relevant Financial Guarantee: are unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest pursuant to a relevant financial guarantee (and the endorsement thereto) dated [•] (the “**Financial Guarantee**”) to be issued by [insert name of Relevant Financial Guarantor]]¹³;

1.1.2 [Bond Guarantee: are unconditionally and irrevocably guaranteed by LHR Airports Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee dated [•] 2008 (the “**BAA Bond Guarantee**”);¹⁴] and

1.1.3 Agency Agreement: are the subject of an issue and paying agency agreement dated 18 August 2008 (the “**Agency Agreement**”) made between *inter alios* the Issuer, the Bond Guarantor, Deutsche Bank, AG London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any additional or successor paying agents appointed from time to time in connection with the Bonds) and the other agents named therein.

1.2 Construction

All references in this Permanent Global Bond to an agreement, instrument or other document (including the Agency Agreement [and the Financial Guarantee]¹⁵ [and the BAA Bond Guarantee]¹⁶) shall be construed as a reference to that agreement,

¹¹ Delete for Bonds other than BAA Guaranteed Bonds.

¹² Delete for Bonds other than Wrapped Bonds.

¹³ Delete for Unwrapped Bonds.

¹⁴ Delete for Bonds other than BAA Guaranteed Bonds.

¹⁵ Delete for Unwrapped Bonds.

¹⁶ Insert for BAA Guaranteed Bonds only.

instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Permanent Global Bond.

2. REFERENCES TO CONDITIONS

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Bonds set out in Schedule 3 (*Terms and Conditions of the Bonds*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. This Permanent Global Bond is issued pursuant to a bond trust deed (as supplemented, amended or replaced) (the “**Bond Trust Deed**”) dated 18 August 2008 as supplemented by a first supplemental bond trust deed dated 13 January 2012, a second supplemental bond trust deed dated 18 October 2013, a third supplemental bond trust deed dated 15 December 2014, a fourth supplemental bond trust deed dated 22 January 2016[,] [and] a fifth supplemental bond trust deed dated [•] 2017 [and a [•] supplemental bond trust deed dated [•]] and made between, *inter alios* the Issuer, the Bond Guarantor and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**” which expression shall include any person or corporation from time to time appointed as bond trustee). Words and expressions defined in the Conditions shall have the same meanings when used in this Permanent Global Bond.

3. PROMISE TO PAY

The Issuer, for value received, promises to pay to the bearer of this Permanent Global Bond, in respect of each Bond represented by this Permanent Global Bond, the principal amount then represented by this Permanent Global Bond (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal [(or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become due and payable)¹⁷] on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Bond on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

4. NEGOTIABILITY

This Permanent Global Bond is negotiable and, accordingly, title to this Permanent Global Bond shall pass by delivery.

5. EXCHANGE

5.1 Definitive Bonds

This Permanent Global Bond will become exchangeable, in whole but not in part only, for Definitive Bonds (which expression has the meaning given in the Master

¹⁷ Insert for Instalment Bonds only.

Definitions Agreement) in accordance with the Conditions if either of the following events occurs:

- 5.1.1 Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- 5.1.2 any Bond Event of Default as set out in Condition 11 (*Bond Events of Default*).

5.2 **Registered Bonds**

If the Final Terms specifies the form of Bonds as being “Permanent Global Bond exchangeable for Registered Bonds” then the Issuer shall procure that such exchange for Registered Bonds represented by Regulation S Individual Bond Certificates or by interests in a Regulation S Global Bond Certificate will be made in accordance with the Conditions and the Agency Agreement at any time (and without any requirements to provide certificates) upon presentation or surrender of this Permanent Global Bond and an Exchange Notice substantially in the form of Schedule 2 hereto to the Principal Paying Agent at its specified office.

6. **DELIVERY OF DEFINITIVE BONDS OR REGISTERED BONDS**

- 6.1 Whenever this Permanent Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of this Permanent Global Bond to the bearer of this Permanent Global Bond against the surrender of this Permanent Global Bond at the specified office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.
- 6.2 Whenever this Permanent Global Bond (or part of it only) is to be exchanged for Registered Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Registered Bonds, in an aggregate principal amount equal to the principal amount of this Permanent Global Bond (or such part of this Permanent Global Bond as is to be exchanged) to the bearer of this Permanent Global Bond against the surrender or presentation, as the case may be, of this Permanent Global Bond at the specified office of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

7. **WRITING DOWN**

On each occasion on which:

- 7.1 *Payment of principal:* a payment of principal is made in respect of this Permanent Global Bond;
- 7.2 *Definitive Bonds:* Definitive Bonds are delivered;

- 7.3 *Registered Bonds:* Registered Bonds are delivered; or
- 7.4 *Cancellation:* Bonds represented by this Permanent Global Bond are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*),

the Issuer shall procure that (a) the amount of such payment and the aggregate principal amount of such Bonds and (b) the remaining principal amount of this Permanent Global Bond (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (a) above) are noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Permanent Global Bond shall for all purposes be as most recently so noted.

8. **WRITING UP**

If this Permanent Global Bond was originally issued in exchange for part only of a temporary global Bond representing the Bonds, then, if at any time any further portion of such temporary global Bond is exchanged for an interest in this Permanent Global Bond, the principal amount of this Permanent Global Bond shall be increased by the amount of such further portion, and the Issuer shall procure that the principal amount of this Permanent Global Bond (which shall be the previous principal amount hereof *plus* the amount of such further portion) is noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Permanent Global Bond shall for all purposes be as most recently so noted.

9. **PAYMENTS**

- 9.1 All payments in respect of this Permanent Global Bond shall be made against presentation and (in the case of payment of principal of the Bonds in full with all interest accrued on the Bonds) surrender of this Permanent Global Bond at the specified office of any Paying Agent and shall be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Bonds. On each occasion on which a payment of interest is made in respect of this Permanent Global Bond, the Issuer shall procure that the same is noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto.
- 9.2 All payments on this Permanent Global Bond will be made only outside of the United States and only upon presentation of this Permanent Global Bond at the specified office of any paying agent outside (unless Condition 9(c) (*Payments in the United States of America*) applies) the United States.

10. **CONDITIONS APPLY**

- 10.1 Until this Permanent Global Bond has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Permanent Global Bond shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the

holder of Definitive Bonds and any related Coupons, Receipts and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of this Permanent Global Bond.

- 10.2 The bearer of this Permanent Global Bond and, *inter alia*, the Trustee are restricted in the proceedings which they may take against the Issuer to enforce their rights hereunder and under the Bond Trust Deed, as more particularly described in the Conditions and the Bond Trust Deed.

11. **EXERCISE OF CALL OPTION**

In connection with an exercise of the option contained in Condition 8(b) (*Redemption, Purchase and Cancellation - Optional Redemption*) in relation to some only of the Bonds, this Permanent Global Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions.

12. **NOTICES**

Notwithstanding Condition 17 (*Notices*), while (a) all the Bonds are represented by this Permanent Global Bond, or by this Permanent Global Bond and a Temporary Global Bond, or by this Permanent Global Bond and a Global Bond Certificate and (b) this Permanent Global Bond is, or this Permanent Global Bond and a Temporary Global Bond are, or this Permanent Global Bond and the Global Bond Certificate are, deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

13. **MEETINGS**

While all the Bonds are represented by this Permanent Global Bond, or by this Permanent Global Bond and a Temporary Global Bond, or by this Permanent Global Bond and a Global Bond Certificate, the holder of this Permanent Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of this Permanent Global Bond shall be treated as having one vote in respect of each minimum denomination of Bonds for which this Permanent Global Bond may be exchanged.

14. **RECORD DATE**

Each payment in respect of any Bond represented by this Permanent Global Bond will be made to the person shown as the holder of this Permanent Global Bond at the close of business on the Clearing System Business Day before the due date for payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each Clearing System for which this Permanent Global Bond is being held is open for business.

15. BUSINESS DAY

Notwithstanding the definition of “Business Day” in Condition 6(i) (*Definitions*) and the definition of “business day” in Condition 9(g) (*Non-Business Days*), while all the Bonds are represented by this Permanent Global Bond, or by this Permanent Global Bond and a Temporary Global Bond, or by this Permanent Global Bond and a Global Bond Certificate and such Global Bond or Global Bond Certificate is held on behalf of Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System, “**Business Day**” and “**business day**” shall mean:

- a) if the currency of payment is euro, any day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus; or
- b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus.

16. REDENOMINATION

If the Bonds are redenominated pursuant to Condition 19 (*European Economic and Monetary Union*), then following redenomination and subject always to the terms of Condition 19 (*European Economic and Monetary Union*):

- 16.1 *Denominations:* if Definitive Bonds or Individual Bond Certificates are required to be issued, they shall be issued in euro in such denominations as the Principal Paying Agent shall determine and notify to the Bondholders; and
- 16.2 *Calculation of Interest:* the amount of interest due in respect of Bonds represented by this Permanent Global Bond will be calculated by reference to the aggregate principal amount of such Bonds and the amount of such payment shall be rounded down to the nearest euro 0.01.

17. AUTHENTICATION

This Permanent Global Bond shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as principal paying agent.

18. GOVERNING LAW

This Permanent Global Bond and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

HEATHROW FUNDING LIMITED

By:

[manual / facsimile signature]

(duly authorised)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of

DEUTSCHE BANK AG, LONDON BRANCH

as Principal Paying Agent
without recourse, warranty or liability

By:

[manual signature]

(duly authorised)

Schedule 1

Payments, Delivery of Definitive or Registered Bonds, Further Exchanges of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds

Date of payment, delivery, further exchange of Temporary Global Bond, exercise of option (and date upon which exercise is effective) or cancellation	Amount of interest then paid	Amount of principal then paid or redeemed	Aggregate Principal Amount of Definitive Bonds or Registered Bonds then delivered	Aggregate Principal Amount of Bonds then cancelled	Aggregate Principal Amount of further exchanges of Temporary Global Bonds	Aggregate Principal Amount in respect of which option is exercised	Current Principal Amount of this Global Bond	Authorised signature by or on behalf of the Principal Paying Agent

Schedule 2

Exchange Notice

....., being the bearer of the Permanent Global Bond at the time of its deposit with the Principal Paying Agent at its specified office for the purposes of the Bonds, hereby:

EITHER

- (i) requests that [*currency*][*amount*] of the Permanent Global Bond be exchanged for a corresponding amount of Regulation S Individual Bonds Certificates¹⁸ as permitted by Clause 5.2 thereof and the terms of the applicable Final Terms and directs that such Individual Bond Certificates [be made available for collection by it from the specified office of the Registrar/be mailed to the (respective) address(es) of the registered Bondholders(s) as set forth below]:

Details for insertion in register in respect of Individual Bond Certificates:

Name(s) and address(es) of registered Bondholder(s):

.....

..... ; OR

- (ii) requests that the Permanent Global Bond be exchanged in whole¹⁹ for a Regulation S Global Bond Certificate as permitted by Clause 5.2 thereof and the terms of the applicable Final Terms and directs that such Global Bond Certificate [be made available for collection by it from the specified office of the Registrar/be mailed to the address of the registered Bondholder as set forth below]:

Details for insertion in register in respect of Global Bond Certificate:

Name and address of registered Bondholder:

.....

.....

¹⁸ Under the current rules of Euroclear and Clearstream, Individual Bond Certificates in registered form cannot be held through the clearing systems. Bondholders must make arrangements with the Registrar for payments on such Bonds to be made to them.

¹⁹ Exchange of a Permanent Global Bond for a Global Bond Certificate will only be permitted in whole.

Schedule 3

Terms and Conditions of the Bonds

Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.

Part 3
Form of Definitive Bond

[On the face of the Bond:]

Series Number: []

Serial Number: []

Sub-Class Number: []

[Denomination]

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “**U.S. PERSON**”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “**U.S. RESIDENT**”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

BAA Funding Limited

(incorporated in Jersey with limited liability)

[Aggregate principal amount of Sub-Class]

[Title of Bonds] due [•]

[guaranteed by

BAA LIMITED

(incorporated in England and Wales with limited liability)]²⁰

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])²¹

This Bond is one of a series of bonds (the “**Bonds**”) of BAA Funding Limited (the “**Issuer**”) described in the Final Terms (the “**Final Terms**”) a copy of the relevant particulars of which is endorsed on this Bond. Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Bonds endorsed on this Bond, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. This Definitive Bond is issued subject to and with the benefit of the Conditions pursuant to a bond trust deed (as modified, supplemented, amended and/or replaced from time to time), dated [•] 2008 and made between, *inter alios* the Issuer, the Bond Guarantor and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) which expression shall include any person or corporation from time to time appointed as bond trustee (the “**Bond Trust Deed**”). Words and expressions defined in the Conditions shall have the same meanings when used in this Bond. The Issuer for value received promises, all in accordance with the Conditions endorsed hereon and the Bond Trust Deed prepared in relation to the Bonds to pay to the bearer upon presentation or, as the case may be, surrender hereof on the Maturity Date specified in the Conditions or, on such earlier date as the same may become payable in accordance therewith, the principal amount hereof (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal or, if this Bond is an Instalment Bond, such Instalment Amounts referable to the Recorded Principal on such dates as may be specified in the Conditions and to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

[This Bond shall not/Neither this Bond nor any of the interest coupons, talons or receipts appertaining hereto shall] be valid for any purpose until this Bond has been authenticated for and on behalf of the Principal Paying Agent.

[This Bond is unconditionally and irrevocably guaranteed by BAA Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee (as supplemented, amended or replaced from time

²⁰ Delete for Bonds other than BAA Guaranteed Bonds.

²¹ Delete for Bonds other than Wrapped Bonds.

to time, the “**BAA Bond Guarantee**”) dated [•] 2008 between, *inter alios*, the Issuer, the Bond Guarantor and Deutsche Trustee Company Limited as Bond Trustee.]²²

[In addition, this Bond is unconditionally and irrevocably guaranteed as to timely payments or interest and principal pursuant to a financial guarantee (and the endorsement thereto) (the “**Financial Guarantee**”) to be issued by [•].²³

This Bond and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the [facsimile/manual] signature of a duly authorised signatory on behalf of the Issuer.

BAA FUNDING LIMITED

By:
(*duly authorised*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH
as Principal Paying Agent
without recourse, warranty or liability

By: [manual signature]
(duly authorised)]

[*On the reverse of the Bonds:*]

Final Terms

The following is a copy of the relevant particulars of the Final Terms.

²² Delete for Bonds other than BAA Guaranteed Bonds.

²³ Delete for Unwrapped Bonds.

Terms and Conditions

[As contemplated in the Prospectus and as amended supplemented or replaced.]

[At the foot of the Conditions:]

**PRINCIPAL PAYING AGENT
DEUTSCHE BANK AG, LONDON BRANCH**

Part 4
Form of Receipt

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS RECEIPT OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “U.S. PERSON”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “U.S. RESIDENT”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS RECEIPT (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS RECEIPT OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS RECEIPT OR ANY INTEREST IN THIS RECEIPT IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS RECEIPT WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

BAA Funding Limited

[Amount and title of Bonds] due [●]

Series No: []

Serial Number of Bond: []

Sub-Class No:[]

Receipt for the sum of [] being the instalment of principal payable in accordance with the Conditions endorsed on the Bond to which this Receipt appertains on [].

This Receipt is issued subject to and in accordance with the Conditions applicable to the Bond to which this Receipt appertains which shall be binding on the holder of this Receipt whether or not it is for the time being attached to such Bond.

This Receipt must be presented for payment together with the Bond to which it appertains in accordance with the Conditions.

This Receipt is not and shall not in any circumstances be deemed to be a document of title and if separated from the Bond to which it appertains will not represent any obligation of the Issuer. Accordingly, the presentation of such Bond without this Receipt or the presentation of this Receipt without such Bond will not entitle the holder to any payment in respect of the relevant instalment of principal.

The Bond to which this Receipt appertains may, in certain circumstances specified in the Conditions, fall due for redemption before the due date for payment of the instalment of principal relating to this Receipt. In such event, this Receipt shall become void and no payment shall be made in respect of it.

[On the reverse of each Receipt:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

Part 5
Form of Coupon

1. [Form of Coupon attached to Bonds which are interest-bearing, fixed rate or fixed coupon amount and having Coupons:]

[On the front of Coupon:]

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS COUPON OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “U.S. PERSON”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “U.S. RESIDENT”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS COUPON (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS COUPON OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS COUPON OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS COUPON WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

BAA Funding Limited

[Amount and title of Bonds] due [●]

Series No: []

Serial Number of Bond: []

Sub-Class No: []

Coupon for *[set out the amount due]* due on [date]

Such amount is payable (subject to the Conditions applicable to the Bond to which this Coupon appertains, which shall be binding on the holder of this Coupon whether or not it is for the time being attached to such Bond) against surrender of this Coupon at the specified office of the Principal Paying Agent or any of the Paying Agents set out on the reverse hereof (or any other or further principal paying agent or paying agents and/or specified offices from time to time designated for the purpose by notice duly given in accordance with such Conditions).

2. [Form of Coupon attached to the Bonds which are interest-bearing, floating rate, indexed or variable coupon amount and having Coupons:]

[On the front of Coupons]

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

BAA Funding Limited

[Amount and title of Bonds] due [●]

Series No: []

Serial Number of Bond: []

Sub-Class No: []

Coupon for the amount due on the Interest Payment Date falling in [*month, year*]

[Coupon relating to the Bond in the principal amount of []].²⁴

Such amount is payable (subject to the Conditions applicable to the Bond to which this Coupon appertains, which shall be binding on the holder of this Coupon whether or not it is for the time being attached to such Bond) against surrender of this Coupon at the specified office of the Principal Paying Agent or any of the Paying Agents set out on the reverse hereof (or any other or further principal paying agent or paying agents and/or specified offices from time to time designated for the purpose by notice duly given in accordance with such Conditions).

The attention of Couponholders is drawn to Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*) of the Conditions. The Bond to which this Coupon appertains may, in certain circumstances specified in the Conditions, fall due for redemption before the due date in relation to this Coupon. In such event, this Coupon will become void and no payment will be made in respect hereof.

[On the reverse of each Coupon:]

²⁴This wording is only required for Bonds which are issued in more than one denomination.

PRINCIPAL PAYING AGENT
DEUTSCHE BANK AG, LONDON BRANCH

Part 6
Form of Talon

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS TALON OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE THAT IT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (A “U.S. PERSON”)) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (A “U.S. RESIDENT”)). ANY PURPORTED RESALE OR OTHER TRANSFER OF THIS TALON (OR BENEFICIAL INTEREST THEREIN) TO, OR FOR THE ACCOUNT OF, A U.S. PERSON OR A U.S. RESIDENT WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY.

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

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS TALON OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS TALON OR ANY INTEREST IN THIS TALON IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS TALON WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

BAA Funding Limited

[Amount and title of Bonds] due [●]

Series No: []

Serial Number of Bond: []

Sub-Class No:[]

Talon for further [Coupons/Receipts]

After all the [Coupons/Receipts] appertaining to the Bond to which this Talon appertains have matured, further [Coupons/Receipts] (including, where appropriate, a Talon for further [Coupons/Receipts]) will be issued at the specified office of the Principal Paying Agent or any of the Paying Agents set out in the reverse hereof (or any other or further paying agents and/or specified offices from time to time designated by notice duly given in accordance with the Conditions applicable to the Bond to which this Talon appertains (which shall be binding on the holder of this Talon whether or not it is for the time being attached to such Bond)) upon production and surrender of this Talon upon and subject to such Conditions.

The Bond to which this Talon refers may, in certain circumstances specified in the Conditions, fall due for redemption before the original due date for exchange of this Talon. In such event this Talon shall become void and no exchange shall be made in respect hereof.

[On the reverse of each Talon:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

SCHEDULE 4

TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions which (subject to completion in accordance with the provisions of the relevant Final Terms (as defined below) and, save for the italicised paragraphs) will be incorporated by reference into each Global Bond (as defined below) representing Bonds (as defined below) in bearer form, Bonds in definitive form (if any) issued in exchange for the Global Bond(s) representing Bonds in bearer form, each Global Bond Certificate (as defined below) representing Bonds in registered form and each Individual Bond Certificate (as defined below) representing Bonds in registered form (only if such incorporation by reference is permitted by the rules of the relevant stock exchange and agreed by the Issuer). If such incorporation by reference is not so permitted and agreed, each Bond in bearer form and each Individual Bond Certificate representing Bonds in registered form will have endorsed thereon or attached thereto such text (as so completed). Further information with respect to each Tranche (as defined below) of Bonds will be given in the relevant Final Terms which will provide for those aspects of these Conditions which are applicable to such Tranche (as defined below) of Bonds, including, in the case of Wrapped Bonds (as defined below), the form of Financial Guarantee (as defined below) and endorsement. If a Relevant Financial Guarantor (as defined below) is appointed in relation to any Sub-Class of Wrapped Bonds, a Drawdown Prospectus will be produced providing such information about such Relevant Financial Guarantor as may be required by the rules of the UK Listing Authority or the London Stock Exchange. References in the Conditions to “**Bonds**” are as the context requires, references to the Bonds of one Sub-Class only, not to all Bonds which may be issued under the Programme. The Issuer does not intend to issue any Bonds with a LHR Bond Guarantee under this Prospectus.*

Heathrow Funding Limited (the “**Issuer**”) has established a bond programme (the “**Programme**”) for the issuance of wrapped bonds (the “**Wrapped Bonds**”) and unwrapped bonds (the “**Unwrapped Bonds**” (together with the Wrapped Bonds, the “**Bonds**”). Bonds issued under the Programme on a particular Issue Date comprise a Series (a “**Series**”), and each Series comprises one or more Classes of Bonds (each a “**Class**”). Each Class may comprise one or more sub-classes (each a “**Sub-Class**”) and each Sub-Class comprises one or more tranches (each a “**Tranche**”).

The Wrapped Bonds will be designated as “**Class A Wrapped Bonds**” or “**Class B Wrapped Bonds**”. The Unwrapped Bonds will be designated as “**Class A Unwrapped Bonds**” (and together with the Class A Wrapped Bonds, the “**Class A Bonds**”) or “**Class B Unwrapped Bonds**” (and together with the Class B Wrapped Bonds, the “**Class B Bonds**”). Under the Programme, the Issuer may issue Bonds in one or more classes which rank in point of payment and security subordinate to the Class A Bonds and the Class B Bonds (the “**Subordinated Bonds**”). Each Sub-Class will be denominated in different currencies or have different interest rates, maturity dates or other terms. Bonds of any Class may be zero coupon (“**Zero Coupon Bonds**”), fixed rate (“**Fixed Rate Bonds**”), floating rate (“**Floating Rate Bonds**”), index-linked (“**Indexed Bonds**”) or instalment bonds (“**Instalment Bonds**”).

depending on the method of calculating interest payable in respect of such Bonds and may be denominated in sterling, euro, U.S. dollars, Canadian dollars, Australian dollars, Swiss francs, Norwegian krone, Japanese yen, Singapore dollars, Hong Kong dollars, Swedish krona, Mexican pesos or in other currencies subject to compliance with applicable law. Certain Sub-Classes of Bonds novated to the Issuer by LHR Airport Limited will be guaranteed as to payments of interest and principal by LHR Airport Limited in its capacity as “**Bond Guarantor**” and such Bonds will be designated as LHR Guaranteed Bonds.

The terms and conditions applicable to any particular Sub-Class of Bonds are these terms and conditions (“**Conditions**”) as completed by a set of final terms in relation to such Sub-Class (“**Final Terms**”).

The Bonds will be subject to and have the benefit of a bond trust deed dated the Initial Issue Date (as defined below) as the same may be amended, supplemented, restated and/or novated from time to time, (the “**Bond Trust Deed**”) between the Issuer, each financial guarantor which accedes to the Bond Trust Deed (each, a “**Relevant Financial Guarantor**”) and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”, which expression includes the trustee or trustees for the time being of the Bond Trust Deed).

The Class A Wrapped Bonds and the Class B Wrapped Bonds alone will be unconditionally and irrevocably guaranteed as to scheduled or ultimate payments of principal and interest (as adjusted for indexation, as applicable, but excluding any additional amounts relating to premium, prepayment or acceleration, accelerated amounts and amounts (if any) by which, in the case of Fixed Rate Bonds or Indexed Bonds (other than deferred interest), the Coupons (as defined below) exceed the initial Coupons on such Sub-Class as at the relevant Issue Date (as defined in Condition 6(j) (*Definitions*)), and, in the case of Floating Rate Bonds, the Coupons (as defined below) exceed the initial Coupons on such Sub-Class as at the relevant Issue Date (as defined in Condition 6(j) (*Definitions*)) (in each case, the “**Subordinated Step-up Fee Amounts**”), all such amounts being the “**FG Excepted Amounts**”) pursuant to a financial guarantee (each, a “**Financial Guarantee**”) to be issued by a Relevant Financial Guarantor (each such Relevant Financial Guarantor being a “**Financial Guarantor**”) in conjunction with the issue of each Sub-Class of Bonds.

Neither of the Class A Unwrapped Bonds or the Class B Unwrapped Bonds will have the benefit of any such Financial Guarantee.

The Bonds have the benefit (to the extent applicable) of an agency agreement (as amended, supplemented and/or restated from time to time) to be dated on or before the date upon which the first Series of Bonds is issued by the Issuer (the “**Initial Issue Date**”) (to which, among others, the Issuer, the Bond Trustee, the Principal Paying Agent and the other Paying Agents (in the case of Bearer Bonds) or the Transfer Agents and the Registrar (in the case of Registered Bonds) are party) and, if applicable, any additional or supplemental paying agency agreement dated on or after the Initial Issue Date between the Issuer and any additional Agent referred to therein (the “**Agency Agreement**”). As used herein, each of “**Principal Paying Agent**”, “**Paying Agents**”, “**Exchange Agent**”, “**Agent Bank**”, “**Transfer Agent**” and/or

“**Registrar**” means, in relation to the Bonds, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Exchange Agent, Agent Bank, Transfer Agent and/or Registrar, respectively, and, in each case, any successor or additional paying agent or other agent appointed pursuant to an Agency Agreement, including, for the avoidance of doubt, any agent appointed pursuant to Condition 9(e). The Bonds may also have the benefit (to the extent applicable) of a calculation agency agreement (in the form or substantially in the form of schedule 1 to the Agency Agreement, the “**Calculation Agency Agreement**”) between, inter alia, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the “**Calculation Agent**”).

On or about the Initial Issue Date, the Issuer entered into a deed of charge (the “**Issuer Deed of Charge**”) with the Bond Trustee as security trustee, pursuant to which the Issuer will grant certain fixed and floating charge security (the “**Issuer Security**”) to the Bond Trustee for itself and on behalf of the Bondholders, each Relevant Financial Guarantor, each Issuer Hedge Counterparty, each Issuer Liquidity Facility Provider, the Principal Paying Agent, each Paying Agent, the Exchange Agent, the Calculation Agent (if any), the Transfer Agent, the Registrar, the Bond Guarantor, the Issuer Account Bank, the Agent Bank, the Issuer Cash Manager and the Issuer Corporate Administration Provider (together, the “**Issuer Secured Creditors**”).

On the Initial Issue Date, the Issuer entered into a Dealership Agreement (the “**Dealership Agreement**”) with the dealers named therein (the “**Dealers**”) in respect of the Programme, pursuant to which any of the Dealers may enter into a subscription agreement (each a “**Subscription Agreement**”) in relation to each Sub-Class of Bonds issued by the Issuer, and pursuant to which the Dealers will agree to subscribe for the relevant Sub-Class of Bonds. In any Subscription Agreement relating to a Sub-Class of Bonds, any of the Dealers may agree to procure subscribers to subscribe for the relevant Sub-Class of Bonds.

The Issuer may enter into liquidity facility agreements (together, the “**Issuer Liquidity Facility Agreements**”) with certain liquidity facility providers (together, the “**Issuer Liquidity Facility Providers**”) pursuant to which the Issuer Liquidity Facility Providers agree to make certain facilities available to meet liquidity shortfalls.

The Issuer may enter into certain currency, inflation-linked and interest rate hedging agreements (together, the “**Issuer Hedging Agreements**”) with certain hedge counterparties (together, the “**Issuer Hedge Counterparties**”) in respect of certain Sub-Classes of Bonds, pursuant to which the Issuer hedges certain of its currency and interest rate obligations. The Issuer may also enter into back to back swap arrangements with Heathrow on substantially the same terms as the corresponding Hedging Agreements between the Issuer and the relevant Hedge Counterparties.

On the Initial Issue Date, the Issuer entered into a common terms agreement with among others, Heathrow (the “**Common Terms Agreement**”) and a security trust and intercreditor deed between among others, the Obligors, the Borrower Security Trustee and the other Borrower Secured Creditors (the “**STID**”).

On the Initial Issue Date, the Issuer entered into an Obligor floating charge agreement (the “**Obligor Floating Charge Agreement**”) pursuant to which the Obligors will grant a floating charge over all or substantially all of their assets in favour of the Issuer.

The Bond Trust Deed, the Bonds (including the applicable Final Terms), the Issuer Deed of Charge, the Financial Guarantee Fee Letters, the Agency Agreement, the Issuer Liquidity Facility Agreements, the Issuer Hedging Agreements, the Borrower Loan Agreements, the G&R Deed, the Financial Guarantees, the LHR Bond Guarantees, the Common Terms Agreement, the Security Agreement, the Obligor Floating Charge Agreement, the STID, the CP Agreement, the Issuer Cash Management Agreement, the master definitions agreement between, among others, the Issuer and the Bond Trustee to be dated the Initial Issue Date (the “**Master Definitions Agreement**”), the account bank agreement between, among others, the Issuer Account Bank, the Issuer and the Bond Trustee (the “**Issuer Account Bank Agreement**”), the Tax Deed of Covenant and each indemnification deed between, among others, the Relevant Financial Guarantor and the Dealers to be dated on or prior to the Initial Issue Date, and any related document (each, if not defined above, as defined below or in the Master Definitions Agreement) are, in relation to the Bonds, together referred to as the “**Issuer Transaction Documents**”.

Capitalised terms not defined in these Conditions have the meaning set out in the Master Definitions Agreement.

Certain statements in these Conditions are summaries of the detailed provisions appearing on the face of the Bonds (which expression shall include the body thereof), in the relevant Final Terms or in the Bond Trust Deed or the Issuer Deed of Charge. Copies of the Bond Trust Deed are available for inspection during normal business hours at the specified offices of the Principal Paying Agent (in the case of Bearer Bonds) or the specified offices of the Transfer Agents and the Registrar (in the case of Registered Bonds).

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Bond Trust Deed, the Issuer Deed of Charge and the relevant Final Terms and to have notice of those provisions of the Agency Agreement and the other Issuer Transaction Documents applicable to them.

Any reference in these conditions to a matter being “specified” means as the same may be specified in the relevant Final Terms or Drawdown Prospectus, as the case may be.

1. Form, Denomination and Title

(a) *Form and Denomination*

The Bonds are in bearer form (“**Bearer Bonds**”) or in registered form (“**Registered Bonds**”) as specified in the applicable Final Terms and serially numbered in the Specified Denomination(s). Bonds may be issued in such denomination and higher integral multiples of a smaller amount if specified in the applicable Final Terms. Bonds of one Specified Denomination may not be exchanged for Bonds of another Specified Denomination and Registered Bonds may not be exchanged for Bearer

Bonds. References in these Conditions to “**Bonds**” include Bearer Bonds and Registered Bonds and all Sub-Classes, Classes, Tranches and Series.

So long as the Bonds are represented by a temporary Global Bond or permanent Global Bond and the relevant clearing system(s) so permit, the Bonds shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Interest-bearing Bearer Bonds are issued with Coupons (as defined below) (and, where appropriate, a Talon (as defined below)) attached. After all the Coupons attached to, or issued in respect of, any Bearer Bond which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and (if necessary) one further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent. Any Bearer Bond the principal amount of which is redeemable in instalments may be issued with one or more Receipts (as defined below) (and, where appropriate, a Talon) attached thereto. After all the Receipts attached to, or issued in respect of, any Instalment Bond which was issued with a Talon have matured, a receipt sheet comprising further Receipts (other than Receipts which would be void) and (if necessary) a further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent.

(b) *Title*

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

In these Conditions, subject as provided below, each reference to “**Bondholder**” (in relation to a Bond, Coupon, Receipt or Talon), “**holder**” and “**Holder**” means (i) in relation to a Bearer Bond, the bearer of any Bearer Bond, Coupon, Receipt or Talon (as the case may be) and (ii) in relation to a Registered Bond, the person in whose name a Registered Bond is registered, as the case may be. The expressions “**Bondholder**”, “**holder**” and “**Holder**” include the holders of instalment receipts (which, in relation to Class A Bonds will be “**Class A Receipts**”, in relation to Class B Bonds, “**Class B Receipts**” and together, the “**Receipts**”) appertaining to the payment of principal by instalments (if any) attached to such Bonds in bearer form (the “**Receiptholders**”), the holders of the coupons (which, in relation to Class A Bonds will be “**Class A Coupons**”, in relation to Class B Bonds, “**Class B Coupons**” and together, the “**Coupons**”) (if any) appertaining to interest bearing Bonds in bearer form (the “**Couponholders**”), and the expression Couponholders or Receiptholders includes the holders of talons in relation to Coupons or Receipts as applicable, (which, in relation to Class A Bonds will be “**Class A Talons**”, in relation to Class B Bonds, “**Class B Talons**” and together, the “**Talons**”) (if any) for further coupons or receipts, as applicable attached to such Bonds.

The bearer of any Bearer Bond, Coupon, Receipt or Talon and the registered holder of any Registered Bond 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 relevant Bond, or its

theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Bond, a duly executed transfer of such Bond in the form endorsed on the Bond Certificate in respect thereof) and no person will be liable for so treating the holder.

Bonds which are represented by a Global Bond or Global Bond Certificate will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Bond Trustee.

(c) ***Fungible Issues of Bonds comprising a Sub-Class***

The Issuer may, from time to time, without the consent of the Bondholders, Receiptholders or Couponholders, create and issue further Bonds having the same terms and conditions as the Bonds of a Sub-Class in all respects (or in all respects except for the first payment of interest). Accordingly, a Sub-Class of Bonds may comprise a number of issues in addition to the initial Tranche of such Sub-Class. Such further issues of the same Sub-Class will be consolidated and form a Series with the prior issues of that Sub-Class.

2. Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds

(a) ***Exchange of Bonds***

Subject to Condition 2(e) (*Closed Periods*), Bearer Bonds may, if so specified in the relevant Final Terms, be exchanged at the expense of the transferor Bondholder for the same aggregate principal amount of Registered Bonds at the request in writing of the relevant Bondholder and upon surrender of the Bearer Bond to be exchanged together with all unmaturing Coupons, Receipts and Talons (if any) relating to it at the specified office of the Registrar or any Transfer Agent or Paying Agent. Where, however, a Bearer Bond is surrendered for exchange after the Record Date (as defined below) for any payment of interest or Interest Amount (as defined below), the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it. Registered Bonds may not be exchanged for Bearer Bonds.

(b) ***Transfer of Registered Bonds***

A Registered Bond may be transferred upon the surrender of the relevant Individual Bond Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of any Transfer Agent or the Registrar. However, a Registered Bond may not be transferred unless (i) the principal amount of Registered Bonds proposed to be transferred and (ii) the principal amount of the balance of Registered Bonds to be retained by the relevant transferor are, in each case, Specified Denominations. In the case of a transfer of part only of a holding of Registered Bonds represented by an Individual Bond Certificate, a new Individual Bond Certificate in respect of the balance not transferred will be issued to the transferor within three

business days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such form of transfer.

(c) ***Delivery of New Individual Bond Certificates***

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

(d) ***Exchange at the Expense of Transferor Bondholder***

Registration of Bonds on exchange or transfer will be effected at the expense of the transferor Bondholder by or on behalf of the Issuer, the Transfer Agent or the Registrar, and upon payment of (or the giving of such indemnity as the Transfer Agent or the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed Periods***

No transfer of a Registered Bond may be registered, nor may any exchange of a Bearer Bond for a Registered Bond occur during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount (as defined below) or Redemption Amount (as defined below) on that Bond.

(f) ***Regulations Concerning the Transfer of Registered Bonds***

All transfers of Registered Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Principal Paying Agent, the Bond Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who requests in writing a copy of such regulations.

3. Status of Bonds, Financial Guarantee and LHR Bond Guarantee

(a) ***Status of Class A Bonds***

This Condition 3(a) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class A Bonds.

The Class A Bonds, Class A Coupons, Class A Talons and Class A Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner

described in Condition 4 (*Security, Priority and Relationship with Issuer Secured Creditors*) and rank *pari passu* without any preference among themselves. However, the Class A Unwrapped Bonds will not have the benefit of any Financial Guarantee.

(b) ***Status of Class B Bonds***

This Condition 3(b) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class B Bonds.

The Class B Bonds, Class B Coupons, Class B Talons and Class B Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Issuer Secured Creditors*), are subordinated to the Class A Bonds, Class A Coupons, Class A Receipts and Class A Talons (if any) and rank *pari passu* without any preference among themselves. However, the Class B Unwrapped Bonds will not have the benefit of any Financial Guarantee.

(c) ***Financial Guarantee Issued by a Relevant Financial Guarantor***

This Condition 3(c) is applicable only in relation to Bonds which are specified as being a Sub-Class of Wrapped Bonds.

Each Sub-Class of Wrapped Bonds will have the benefit of a Financial Guarantee issued by a Relevant Financial Guarantor, issued pursuant to a guarantee and reimbursement deed between, among others, the Issuer and the Relevant Financial Guarantor dated on or before the relevant Issue Date (as defined below) of such Bonds (the “**G&R Deed**”). Under the relevant Financial Guarantee, the Relevant Financial Guarantor unconditionally and irrevocably agrees to pay to the Bond Trustee all sums due and payable but unpaid by the Issuer in respect of scheduled interest and payment of principal (but excluding FG Excepted Amounts) on such Wrapped Bonds, all as more particularly described in the relevant Financial Guarantee.

The terms of the relevant Financial Guarantee provide that amounts of principal on any such Bonds which have become immediately due and payable (whether by virtue of acceleration, prepayment or otherwise) other than on the relevant Payment Date (as defined under the relevant Financial Guarantee) will not be treated as Guaranteed Amounts (as defined in the relevant Financial Guarantee) which are Due for Payment (as defined in the relevant Financial Guarantee) under the relevant Financial Guarantee unless the Relevant Financial Guarantor in its sole discretion elects so to do by notice in writing to the Bond Trustee. A Relevant Financial Guarantor may elect to accelerate payments due under its Financial Guarantee in full or partially. All payments made by the Relevant Financial Guarantor under its relevant Financial Guarantee in respect of partial acceleration shall be applied (i) to pay the Interest (as defined in the relevant Financial Guarantee) accrued but unpaid on the Principal (as defined in the relevant Financial Guarantee) of such part of the accelerated payment and (ii) to reduce the Principal (as defined in the relevant Financial Guarantee) (or, in the case of Wrapped Bonds repayable in instalments, each principal repayment instalment on a *pro rata* basis with a corresponding reduction of each amount of the Interest (as stated in the relevant Financial Guarantee)) outstanding under the relevant Sub-Classes of Wrapped

Bonds. If no such election is made, the Relevant Financial Guarantor will continue to be liable to make payments in respect of the Bonds pursuant to the relevant Financial Guarantee on the dates on which such payments would have been required to be made if such amounts had not become immediately due and payable.

To the extent that the early redemption price of any Bonds exceeds the aggregate of the Principal Amount Outstanding of and any accrued interest outstanding on any such Bonds to be redeemed (each as adjusted for indexation in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*), if applicable) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), payment of such early redemption price will to that extent, not be guaranteed by the Relevant Financial Guarantor under its relevant Financial Guarantee.

(d) ***Status of Financial Guarantee***

This Condition 3(d) is applicable only in relation to Bonds which are specified as being a Sub-Class of Wrapped Bonds.

The relevant Financial Guarantee provided by a Relevant Financial Guarantor in respect of the Bonds will constitute a direct, unsecured obligation of such Relevant Financial Guarantor which will rank at least *pari passu* with all other unsecured obligations of such Relevant Financial Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(e) ***LHR Bond Guarantee issued by the Bond Guarantor***

This Condition 3(e) is applicable only in relation to Bonds which are specified as being a Sub-Class of LHR Guaranteed Bonds.

Each Sub-Class of LHR Guaranteed Bonds will be guaranteed by the Bond Guarantor issued pursuant to a bond guarantee dated on or before the Initial Issue Date of such Bonds (the “**LHR Bond Guarantee**”). Under the relevant LHR Bond Guarantee, the Bond Guarantor unconditionally and irrevocably agrees to pay to the Bond Trustee all sums due and payable but unpaid by the Issuer in respect of scheduled interest and payment of principal on such LHR Guaranteed Bonds, all as more particularly described in the LHR Bond Guarantee.

(f) ***Status of LHR Bond Guarantee***

This Condition 3(f) is applicable only in relation to Bonds which are specified as being a Sub-Class of LHR Guaranteed Bonds.

Each LHR Bond Guarantee provided by the Bond Guarantor in respect of the Bonds will constitute a direct, unsecured obligation of the Bond Guarantor which will rank at least *pari passu* with all other unsecured obligations of the Bond Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(g) ***Bond Trustee not responsible for monitoring compliance***

The Bond Trustee shall not be responsible for monitoring compliance by the Issuer with any of its obligations under the Issuer Transaction Documents except by means of receipt of a certificate from the Issuer which will state, among other things, that no Bond Event of Default is outstanding. The Bond Trustee shall be entitled to rely on such certificates absolutely. The Bond Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Issuer Transaction Documents. The Bond Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any one director of the Issuer, the Obligors (or any of them) or any other party to any Issuer Transaction Document to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Bond Trustee may require to be satisfied. The Bond Trustee is in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Bond Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

4. Security, Priority and Relationship with Issuer Secured Creditors

(a) *Security*

As continuing security for the payment or discharge of the Issuer Secured Liabilities (including all monies payable in respect of the Bonds, Coupons and Receipts and otherwise under the Bond Trust Deed, the Issuer Deed of Charge and any deed or other document executed in accordance with the Bond Trust Deed or Issuer Deed of Charge and expressed to be supplemental to the Bond Trust Deed or Issuer Deed of Charge (as applicable) (the “**Trust Documents**”) (including the remuneration, expenses and other claims of the Bond Trustee and any Receiver appointed under the Issuer Deed of Charge)), the Issuer has entered in to the Issuer Deed of Charge to create as far as permitted by and subject to compliance with any applicable law, the following security (the “**Issuer Security**”) in favour of the Bond Trustee for itself and on trust for the other Issuer Secured Creditors:

- (i) an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- (ii) an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- (iii) a first fixed charge of the Benefit of the bank accounts (other than any Liquidity Standby Account (the “**Issuer Accounts**”)) and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit;
- (iv) a first fixed charge of the Benefit of each Authorised Investment of the Issuer; and
- (v) a floating charge over the whole of the Issuer’s undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer’s uncalled capital.

All Bonds issued by the Issuer under the Programme will share in the Issuer Security constituted by the Issuer Deed of Charge, upon and subject to the terms thereof.

(b) ***Relationship among Bondholders and with other Issuer Secured Creditors***

The Bond Trust Deed contains provisions detailing the Bond Trustee's obligations to consider the interests of Bondholders as regards all discretions of the Bond Trustee (except where expressly provided or otherwise referred to in Condition 16 (*Bond Trustee Protections*)).

(c) ***Enforceable Security***

In the event of the Issuer Security becoming enforceable as provided in the Issuer Deed of Charge, the Bond Trustee shall, if instructed by, in respect of the Wrapped Bonds, each Relevant Financial Guarantor (or following the occurrence of an FG Event of Default, the holders of the Most Senior Class of Wrapped Bonds then outstanding) and in respect of the Unwrapped Bonds, the holders of the Most Senior Class of Unwrapped Bonds then outstanding, enforce its rights with respect to the Issuer Security, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Bondholder, provided that the Bond Trustee shall not be obliged to take any action unless it is indemnified and/or secured to its satisfaction.

(d) ***Application After Enforcement***

After enforcement of the Issuer Security, the Bond Trustee shall (to the extent that such funds are available) use funds standing to the credit of the Issuer Accounts to make payments in accordance with the Issuer Post-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

(e) ***Bond Trustee not liable for security***

The Bond Trustee will not be liable for any failure to make the usual investigations or any investigations which might be made by a security holder in relation to the property which is the subject of the Issuer Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer to the Issuer Security, whether such defect or failure was known to the Bond Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the enforceability of the Issuer Security created under the Issuer Deed of Charge whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Issuer Security or otherwise. The Bond Trustee shall have no responsibility for the value of any such Issuer Security.

5. Issuer Covenants

So long as any of the Bonds remain outstanding, the Issuer has agreed to comply with the covenants as set out in schedule 2 of the Bond Trust Deed.

The Bond Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter relating to such covenants and to accept without

liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

6. Interest and other Calculations

(a) *Interest Rate and Accrual*

Each Bond (unless specified in the relevant Final Terms to be a Zero Coupon Bond) bears interest on its Principal Amount Outstanding as defined below (or as otherwise specified in the relevant Final Terms) from the Interest Commencement Date (as defined below) at the Interest Rate (as defined below), such interest being payable in arrear (unless otherwise specified in the relevant Final Terms) on each Interest Payment Date (as defined below).

Interest will cease to accrue on each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) 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 (both before and after judgment) at the Interest Rate that would otherwise apply in respect of unpaid amounts on such Bonds at such time to the Bond Relevant Date (as defined in Condition 6(j)(Definitions)).

In the case of interest on Class B Unwrapped Bonds only, if, on any Interest Payment Date, prior to the delivery of a Bond Enforcement Notice, there are insufficient funds available to the Issuer in accordance with the applicable Issuer Payment Priorities (after taking into account any amounts available to be drawn under any Liquidity Facility) to pay such accrued interest, the Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earliest of: (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of the Issuer Cash Management Agreement, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which the Senior Debt has been paid in full; and (iii) the date on which a Bond Enforcement Notice has been delivered. Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of such Class B Unwrapped Bonds at such time.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified, as the case may be.

(b) *Business Day Convention*

If any date referred to in these Conditions or the relevant Final Terms 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 (as defined below), then if the Business Day Convention specified in the relevant Final Terms is:

- (i) the “**Following Business Day Convention**”, such date shall be postponed to the next day which is a Business Day;
- (ii) 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

- (iii) the “**Preceding Business Day Convention**”, such date shall be brought forward to the immediately preceding Business Day.

(c) ***Floating Rate Bonds***

This Condition 6(c) is applicable only if the relevant Final Terms specify the Bonds as Floating Rate Bonds.

(i) ***Screen Rate Determination***

Subject to Condition 6(n) (*Benchmark discontinuation*), if “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and if a Reference Rate and a Relevant Screen Page are so specified and the Reference Rate so specified is not SONIA, the Interest Rate applicable to the Bonds for each Interest Period will be determined by the Agent Bank (or the Calculation Agent, if applicable) on the following basis:

- (A) if the Relevant Screen Page (as defined below) displays a rate which is a composite quotation or customarily supplied by one entity, the Agent Bank (or the Calculation Agent, if applicable) will determine the Relevant Rate (as defined in Condition 6(j) (*Definitions*));
- (B) in any other case, the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the Relevant Rates (as defined below) which appear on the Page as of the Relevant Time (as defined below) on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that Relevant Screen Page or, in the case of (ii) above, fewer than two such rates appear on that Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable, the Issuer will:
 - (1) request the principal Relevant Financial Centre office of each of the Reference Banks (as defined in Condition 6(j) (*Definitions*)) to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date to prime banks in the Relevant Financial Centre (as defined below) interbank market (or, if appropriate, money market) in an amount that is representative for a single transaction in that market at that time; and
 - (2) provide such quotations to the Agent Bank (or the Calculation Agent, if applicable) who will determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested in Condition 6(c)(i)(C), the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the rates (being the rates nearest to the Relevant Rate as determined by the Calculation Agent) notified to it by the

Issuer, being the rates quoted by the Reference Banks to the Issuer at approximately 11:00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the relevant Interest Determination Date (as defined in Condition 6(j) (*Definitions*)) for loans in the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount (as defined in Condition 6(j) (*Definitions*)),

and the Interest Rate for such Interest Period shall be the sum of the rate or (as the case may be) the arithmetic mean so determined and (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate. However, if the Agent Bank or the Calculation Agent (as applicable) 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 Bonds 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 Bonds in respect of a preceding Interest Period.

Notwithstanding any other provision of this Condition 6(c)(i), if in the Agent Bank's or the Calculation Agent's (if applicable) opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6(c)(i), the Agent Bank or the Calculation Agent (if applicable) shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank or the Calculation Agent (if applicable) in writing as to which alternative course of action to adopt. If the Agent Bank or the Calculation Agent (if applicable) is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent Bank or the Calculation Agent (if applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(ii) *ISDA Determination*

If “**ISDA Determination**” is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Bonds for each Interest Period will be the sum of the ISDA Rate and (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank (or the Calculation Agent, if applicable) under an interest rate swap transaction if the Agent Bank (or the Calculation Agent, if applicable) 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 is as specified in the relevant Final Terms;
- (B) the Designated Maturity is the Specified Duration (as defined in Condition 6(j) (*Definitions*));

- (C) the relevant Reset Date is either (1) if the relevant Floating Rate Option is based on EURIBOR, AUD BBSW, CDOR, NIBOR, SGD SOR, HKD HIBOR, SEK STIBOR, MXN TIIE the first day of that Interest Period, or (2) in any other case, as specified in the relevant Final Terms;
- (D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the relevant Final Terms:
 - (I) Compounding with Lookback;
 - (II) Compounding with Observation Period Shift; or
 - (III) Compounding with Lockout;
- (E) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift, as specified in the applicable Final Terms.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

For the purposes of this subparagraph (e), Floating Rate, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift have the meanings given to those terms in the ISDA Definitions.

For the avoidance of doubt, and notwithstanding anything in the ISDA Definitions to the contrary, the Agent Bank (or the Calculation Agent, if applicable) shall have no obligation to exercise any discretion in relation to determining the ISDA Rate, and to the extent that the ISDA Definitions require the Agent Bank (or the Calculation Agent, if applicable) to exercise any such discretion, the Issuer will provide written direction to the Agent Bank (or the Calculation Agent, if applicable) specifying how such discretion should be exercised. The Agent Bank (or the Calculation Agent, if applicable) may exclusively rely on such written direction, and will be fully protected if the Agent Bank (or the Calculation Agent, if applicable) acts in accordance with such written direction.

(iii) *Provisions relating to Floating Rate Bonds which reference SONIA*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SONIA, the Interest Rate for each Interest Period will be equal to the relevant SONIA Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the

Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SONIA Benchmark**” will be determined based on either SONIA Compound or SONIA Index Determination, as follows (subject to Condition 6(n) (*Benchmark discontinuation*) below):

- (1) if SONIA Compound (“**SONIA Compound**”) is specified as applicable in the relevant Final Terms, the SONIA Benchmark for each Interest Period shall be equal to the value of the SONIA rates for each day during the relevant Interest Period (where SONIA Compound with Lookback is specified in the relevant Final Terms to determine SONIA Compound), Observation Period (where SONIA Compound with Observation Period Shift is specified in the relevant Final Terms to determine SONIA Compound) or Interest Accrual Period (where SONIA Compound with Payment Delay is specified in the relevant Final Terms to determine SONIA Compound).

SONIA Compound shall be calculated in accordance with one of the formulas referenced below:

- (a) SONIA Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{t-\text{pLBD}} \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of London Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Interest Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” for any London Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following London Banking Day (“**i+1**”);

“**Lookback Days**” means the number of London Banking Days specified in the Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“**SONIA_{i-pLBD}**” for any London Banking Day “i” in the relevant Interest Period, is equal to the SONIA in respect of the London Banking Day falling a number of London Banking Days prior to that day “i” equal to the number of Lookback Days.

(b) SONIA Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Observation Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” for any London Banking Day “i” in the relevant Observation Period, means the number of calendar days from (and including) such day “i” up to (but excluding) the following London Banking Day (“i+1”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of London Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of London Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of London Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“**SONIA_i**” for any London Banking Day “i” in the relevant Observation Period, is equal to SONIA in respect of that day “i”.

(c) SONIA Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of London Banking Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding)

the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the notes prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“Interest Accrual Period End Dates” shall have the meaning specified in the relevant Final Terms;

“Interest Payment Dates” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the notes prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“Interest Payment Delay” means the number of London Banking Days specified in the relevant Final Terms;

“Interest Payment Determination Dates” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SONIA Rate Cut-Off Date;

“ n_i ” for any London Banking Day “ i ” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such London Banking Day “ i ” up to (but excluding) the following London Banking Day (“ $i+1$ ”); and

“SONIA”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day;

“SONIA $_i$ ” means for any London Banking Day “ i ” in the relevant Interest Accrual Period, is equal to SONIA in respect of that day “ i ”.

“SONIA Rate Cut-Off Date” means the date that is a number of London Banking Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

For purposes of calculating SONIA Compound with respect to the final Interest Accrual Period, the level of SONIA for each London Banking Day in the period from (and including) the SONIA Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the

redemption date, as applicable, shall be the level of SONIA in respect of such SONIA Rate Cut-Off Date.

- (2) if SONIA Index Determination (“**SONIA Index Determination**”), is specified as applicable in the relevant Final Terms, the following provisions shall apply and the SONIA Benchmark for each Interest Period shall be equal to the rate of return of a daily compound interest investment (with the daily SONIA as the Relevant Rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\left(\frac{\text{SONIA Index End}}{\text{SONIA Index Start}} - 1 \right) \times \frac{365}{d}$$

where:

“**d**” means the number of calendar days from (and including) the day in relation to which SONIA Index Start is determined to (but excluding) the day in relation to which SONIA Index End is determined;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Relevant Number**” means the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

“**SONIA**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average rate for such London Banking Day, as provided by the administrator of SONIA to authorised distributors and as then published on the London Banking Day immediately following such London Banking Day;

“**SONIA Index End**” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**SONIA Index Start**” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Period; and

“**SONIA Index**” means the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date.

If the relevant SONIA Index is not published or displayed on the Relevant Screen Page by the administrator of the SONIA or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA or of such other information service, as the case may be) on the relevant Interest Determination Date, the SONIA Benchmark for the applicable Interest Period for which the SONIA Index is not available shall be determined as if SONIA Compound with Observation Period Shift were specified as applicable in the relevant Final Terms, and for these purposes: the Observation Shift Days in respect of the applicable Interest Period for which the SONIA Index is not available shall be deemed to be equal to the Relevant Number of London Banking Days, as if such alternative elections had been made in the applicable Final Terms.

If, in respect of that London Banking Day “i-pLBD” or “i”, as applicable, the Calculation Agent determines that the SONIA is not available on the Relevant Screen Page (the “**SONIA Screen Page**”) or has not otherwise been published by the relevant authorised distributors, such SONIA shall be (A) (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA to the Bank Rate over the previous five (5) days on which a SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate or (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the “**SONIA Replacement Rate**”).

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA is to be determined or (ii) any rate that is to replace the SONIA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine the SONIA Replacement Rate for the purpose of the Bonds for so long as the SONIA is not available or has not been published by the authorised distributors.

If the SONIA rate ceases to exist and the Calculation Agent determines that there is no industry accepted successor rate for debt market instruments linked to the SONIA rate, the Floating Rate shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial SONIA Rate which would have been applicable to the relevant Class or Sub-Class of Bonds for the first Interest Period had the Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the

Relevant Margin applicable to the first Interest Period). If the relevant Series of Bonds become due and payable in accordance with Condition 8 (Redemption, Purchase and Cancellation) or Condition 11 (Bond Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Bonds became due and payable and the Interest Rate on such Bonds shall, for so long as any such Bond remains outstanding, be that determined on such date.

(iv) *Provisions relating to Floating Rate Bonds which reference SOFR*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SOFR, the Interest Rate for each Interest Period will be equal to the relevant SOFR Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SOFR Benchmark**” will be determined based on either SOFR Arithmetic Mean, SOFR Compound or SOFR Index Average, as follows (subject to Condition 6(n) (*Benchmark discontinuation*) below):

- (1) if SOFR Arithmetic Mean (“**SOFR Arithmetic Mean**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR rates for each day during the period, as calculated by the Calculation Agent, where, if applicable (as specified in the relevant Final Terms), the SOFR rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Payment Date;
- (2) if SOFR Compound (“**SOFR Compound**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Period (where SOFR Compound with Lookback is specified in the relevant Final Terms to determine SOFR Compound), Observation Period (where SOFR Compound with Observation Period Shift is specified in the relevant Final Terms to determine SOFR Compound) or Interest Accrual Period (where SOFR Compound with Payment Delay is specified in the relevant Final Terms to determine SOFR Compound).

SOFR Compound shall be calculated in accordance with one of the formulas referenced below:

- (a) SOFR Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Lookback Days**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “**i**” up to (but excluding) the following U.S. Government Securities Business Day (“**i+1**”);

“**SOFR_{i-xUSBD}**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period, is equal to the SOFR in respect of the U.S. Government Securities Business Days falling a number of U.S. Government Securities Business Days prior to that day “**i**” equal to the number of Lookback Days ;and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(b) SOFR Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Observation Period;

“**n_i**” for any U.S. Government Securities Business Day “**i**” in the relevant Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “**i**” up to (but excluding) the following U.S. Government Securities Business Day (“**i+1**”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of U.S. Government Securities Business Days equal to the Observation Shift Days preceding the first date in such Interest Period to (but excluding) the date falling a number of U.S. Government Securities Business Days equal to the number of Observation Shift Days, preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SOFR_i**” for any U.S. Government Securities Business Day “**i**” in the relevant Observation Period, is equal to SOFR in respect of that day “**i**”; and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(c) SOFR Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_t \times n_t}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“**Interest Accrual Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“**Interest Payment Delay**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

“**Interest Payment Determination Dates**” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SOFR Rate Cut-Off Date;

“ n_i ” for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” up to (but excluding) the following U.S. Government Securities Business Day (“ $i+1$ ”);

“**SOFR _{i}** ” means for any U.S. Government Securities Business Day “ i ” in the relevant Interest Accrual Period, is equal to SOFR in respect of that day “ i ”; and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

For purposes of calculating SOFR Compound with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

- (3) if SOFR Index Average (“**SOFR Index Average**”) is specified as applicable in the relevant Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Period as calculated by the Calculation Agent as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**SOFR Index**” means the SOFR Index in relation to any U.S. Government Securities Business Day as published by the NY Federal Reserve on the NY Federal Reserve’s Website at the SOFR Determination Time and appearing on the Relevant Screen Page.

“**SOFR IndexStart**” means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Final Terms preceding the first date of the relevant Interest Period (a “**SOFR Index Determination Date**”).

“**SOFR IndexEnd**” means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Final Terms preceding the Interest Payment Date relating to such

Interest Period (or in the final Interest Period, the Scheduled Redemption date or the Maturity Date (as the case may be)).

“**d_c**” means the number of calendar days from (and including) the SOFR IndexStart to (but excluding) the SOFR IndexEnd.

Subject Condition 6(n) (*Benchmark discontinuation*) below, if the SOFR Index is not published on any relevant SOFR Index Determination Date and no Benchmark Event has occurred, the “SOFR Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the SOFR Compound formula described above in (b) SOFR Compound with Observation Period Shift” and the term “Observation Shift Days” shall mean two U.S. Government Securities Business Days.

In connection with the SOFR provisions above, the following definitions apply:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**NY Federal Reserve**” means the Federal Reserve Bank of New York;

“**NY Federal Reserve’s Website**” means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

“**SOFR Rate Cut-Off Date**” means the date that is a number of U.S. Government Securities Business Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent or the SOFR Replacement Rate Determination Agent, as the case may be, in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at the SOFR Determination Time on the NY Federal Reserve’s Website; or
- (ii) if the rate specified in (i) above does not appear, the SOFR published on the NY Federal Reserve’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the NY Federal Reserve’s Website;

“**SOFR Determination Time**” means approximately 3:00 p.m. (New York City time) on the NY Federal Reserve’s Website on the immediately following U.S. Government Securities Business Day; and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(v) *Provisions relating to Floating Rate Bonds which reference €STR*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is €STR, the Interest Rate for each Interest Period shall be the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest), plus or minus (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent on the Interest Determination Date, according to the formula below:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{€STR}_{i-\text{pTBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of TARGET Business Days in the relevant Interest Period;

“**ECB €STR Guideline**” means Guideline (EU) 2019/1265 of the ECB of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

“**€STR**” means, in respect of any TARGET Business Days, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area provided by the ECB as administrator of such rate (or any successor administrator) and published on the ECB’s Website at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR_{i-pTBD}**” for any TARGET Business Day “i” in the relevant Interest Period, is equal to the €STR in respect of the TARGET Business Day falling

a number of TARGET Business Days prior to that day “i” equal to the number of Lookback Days;

“i” is a series of whole numbers from one to d_0 , each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in the relevant Interest Period to (but excluding) the Interest Payment Date corresponding to such Interest Period;

“**Lookback Days**” is as specified in the Final Terms but shall not be less than five TARGET Business Days at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“ n_i ” for any TARGET Business Day “i” in the relevant Interest Period, means the number of calendar days from (and including) such TARGET Business Day “i” up to (but excluding) the following TARGET Business Day (“i+1”);

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is opened;

“**TARGET System**” means the Trans-European Automated Real-time Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto;

If the €STR is not published on the Relevant Screen Page (the “**€STR Screen Page**”) on any particular TARGET Business Day and no Benchmark Event has occurred, the €STR for such TARGET Business Day shall be the rate equal to €STR in respect of the last TARGET Business Day for which such rate was published on the ECB’s Website.

In connection with the €STR provisions above, the following definitions apply:

“**ECB’s Website**” means the website of the ECB currently at www.ecb.europa.eu or any successor source officially designated by the ECB;

(vi) *Provisions relating to Floating Rate Bonds which reference SARON*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is SARON, the Interest Rate for each Interest Period will be equal to the relevant SARON Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**SARON Benchmark**” will be determined based on either SARON Compound or SAION Index Determination, as follows (subject to Condition 6(n) (*Benchmark discontinuation*) below):

- (1) if SARON Compound (“**SARON Compound**”) is specified as applicable in the relevant Final Terms, the SARON Benchmark for each Interest Period shall be equal to the value of the SARON rates for each day during the relevant Interest Period (where SARON Compound with Lookback is specified in the relevant Final Terms to determine SARON Compound), Observation Period (where SARON Compound with Observation Period Shift is specified in the relevant Final Terms to determine SARON Compound) or Interest Accrual Period (where SARON Compound with Payment Delay is specified in the relevant Final Terms to determine SARON Compound).

SARON Compound shall be calculated in accordance with one of the formulas referenced below:

- (a) SARON Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SARON}_{i-\text{LZBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Zurich Banking Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Interest Period;

“**Lookback Days**” means the number of Zurich Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any Zurich Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such Zurich Banking Day “**i**” up to (but excluding) the following Zurich Banking Day (“**i+1**”);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised

distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SARON_{i-xZBD}**” for any Zurich Banking Day “i” in the relevant Interest Period, is equal to the SARON in respect of the Zurich Banking Day falling a number of Zurich Banking Days prior to that day “i” equal to the number of Lookback Days; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(b) SARON Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SARON}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Observation Period;

“**n_i**” for any Zurich Banking Day “i” in the relevant Observation Period, means the number of calendar days from (and including) such day “i” up to (but excluding) the following Zurich Banking Day (“i+1”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of Zurich Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation

Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SARON_i**” for any Zurich Banking Day “**i**” in the relevant Observation Period, is equal to SARON in respect of that day “**i**”; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(c) SARON Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SARON}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of Zurich Banking Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Day in chronological order from (and including) the first Zurich Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“Interest Accrual Period End Dates” shall have the meaning specified in the relevant Final Terms;

“Interest Payment Dates” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“Interest Payment Delay” means the number of Zurich Banking Days specified in the relevant Final Terms;

“Interest Payment Determination Dates” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the SARON Rate Cut-Off Date;

“ n_i ” for any Zurich Banking Day **“ i ”** in the relevant Interest Accrual Period, means the number of calendar days from (and including) such Zurich Banking Day **“ i ”** up to (but excluding) the following Zurich Banking Day (**“ $i+1$ ”**);

“SARON”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“SARON $_i$ ” means for any Zurich Banking Day **“ i ”** in the relevant Interest Accrual Period, is equal to SARON in respect of that day **“ i ”**;

“SARON Rate Cut-Off Date” means the date that is a number of Zurich Banking Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms;

For purposes of calculating SARON Compound with respect to the final Interest Accrual Period, the level of SARON for each Zurich Banking Day in the period from (and including) the SARON Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of SARON in respect of such SARON Rate Cut-Off Date; and

“Zurich Banking Day” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

- (2) if SAION Index Determination (“**SAION Index Determination**”), is specified as applicable in the relevant Final Terms, the following provisions shall apply and the SARON Benchmark for each Interest Period shall be equal to the rate of return of a daily compound interest investment (with the daily SARON as the Relevant Rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\left(\frac{\text{SAION Index End}}{\text{SAION Index Start}} - 1 \right) \times \frac{360}{d}$$

where:

“**d**”, means the number of calendar days from (and including) the day in relation to which SAION Index Start is determined to (but excluding) the day in relation to which SAION Index End is determined;

“**Relevant Number**” means the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

“**SARON**”, in respect of any Zurich Banking Day, is a reference rate equal to the daily Swiss Average Rate Overnight for such Zurich Banking Day as provided by the SARON Administrator to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the Zurich Banking Day immediately following such Zurich Banking Day;

“**SAION Index End**” means, with respect to an Interest Period, the SAION Index determined in relation to the day falling the Relevant Number of Zurich Banking Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**SAION Index Start**” means, with respect to an Interest Period, the SAION Index determined in relation to the day falling the Relevant Number of Zurich Banking Days prior to the first day of such Interest Period;

“**SAION Index**” means the screen rate or index for compounded daily SARON rates administered by the SARON Administrator that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date; and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

If the relevant SAION Index is not published or displayed by the administrator of the SARON or other information service by 6.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or

scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SARON or of such other information service, as the case may be) on the relevant Interest Determination Date, the SARON Benchmark for the applicable Interest Period for which the SAION Index is not available shall be determined as if SARON Compound with Observation Period Shift were specified as applicable in the relevant Final Terms, and for these purposes the Observation Shift Days in respect of the applicable Interest Period for which the SAION Index is not available shall be deemed to be equal to the Relevant Number of Zurich Banking Days, as if such alternative elections had been made in the applicable Final Terms.

If the SARON is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Screen Page Time on the relevant Zurich Banking Day and a Benchmark Event has not occurred on or prior to the Relevant Screen Page Time on the relevant Zurich Banking Day, the SARON for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.

In connection with the SARON provisions above, the following definitions apply:

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

“**SARON Administrator Website**” means the website of the SARON Administrator; and

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto.

(vii) *Provisions relating to Floating Rate Bonds which reference TONA*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is TONA, the Interest Rate for each Interest Period will be equal to the relevant TONA Benchmark, plus or minus (as specified in the relevant Final Terms) (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent.

The “**TONA Benchmark**” for each Interest Period shall be equal (subject to Condition 6(n) (*Benchmark discontinuation*) below) to the value of the TONA rates for each day during the relevant Interest Period (where TONA Compound with Lookback is specified in the relevant Final Terms to determine TONA Compound), Observation Period (where TONA Compound with Observation Period Shift is specified in the relevant Final Terms to determine TONA Compound) or Interest Accrual Period (where TONA Compound with Payment Delay is specified in the relevant Final Terms to determine TONA Compound).

TONA Benchmark shall be calculated in accordance with one of the formulas referenced below:

(a) TONA Compound with Lookback:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{TONA}_{i-\text{pTBD}} \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Tokyo Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Interest Period;

“**Lookback Days**” means the number of Tokyo Banking Days specified in the Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate);

“**n_i**” for any Tokyo Banking Day “**i**” in the relevant Interest Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following Tokyo Banking Day (“**i+1**”);

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“**TONA_{i-pTBD}**” for any Tokyo Banking Day “**i**” in the relevant Interest Period, is equal to the TONA in respect of the Tokyo Banking Day falling a number of Tokyo Banking Days prior to that day “**i**” equal to the number of Lookback Days.

(b) TONA Compound with Observation Period Shift:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{TONA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**d₀**” for any Observation Period, means the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Observation Period;

“**n_i**” for any Tokyo Banking Day “**i**” in the relevant Observation Period, means the number of calendar days from (and including) such day “**i**” up to (but excluding) the following Tokyo Banking Day (“**i+1**”);

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“**Observation Shift Days**” means the number of Tokyo Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“TONA_i” for any Tokyo Banking Day “i” in the relevant Observation Period, is equal to TONA in respect of that day “i”.

(c) TONA Compound with Payment Delay:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{TONA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

“d” means the number of calendar days in the relevant Interest Accrual Period;

“d₀” for any Interest Accrual Period, means the number of Tokyo Banking Days in the relevant Interest Accrual Period;

“i” means a series of whole numbers from one to d₀, each representing the relevant Tokyo Banking Day in chronological order from (and including) the first Tokyo Banking Day in the relevant Interest Accrual Period;

“**Interest Accrual Periods**” each period from (and including) an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to (but excluding) the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date);

“**Interest Accrual Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the number of Business Days equal to the Interest Payment Delay following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Scheduled Redemption Date or the Maturity Date (as the case may be) or, if the Issuer elects to redeem the Bonds prior to the Scheduled Redemption Date or the Maturity Date (as the case may be), the redemption date;

“**Interest Payment Delay**” means the number of Tokyo Banking Days specified in the relevant Final Terms;

“**Interest Payment Determination Dates**” mean the Interest Accrual Period End Date at the end of each Interest Accrual Period; provided that the Interest Payment Determination Date with respect to the final Interest Accrual Period will be the TONA Rate Cut-Off Date;

“ n_i ” for any Tokyo Banking Day “ i ” in the relevant Interest Accrual Period, means the number of calendar days from (and including) such Tokyo Banking Day “ i ” up to (but excluding) the following Tokyo Banking Day (“ $i+1$ ”);

“**Bloomberg Screen TONA Page**” means MUTKCALM Index;

“**TONA**”, in respect of any Tokyo Banking Day, is a reference rate equal to the trade weighted average of the overnight unsecured call loan rate (rounded upward, if necessary), which appears on the Bloomberg Screen TONA Page under the headline “Tokyo Overnight Average Rates” or any other Relevant Screen Page on the Tokyo Banking Day immediately following such Tokyo Banking Day;

“**TONA_i**” means for any Tokyo Banking Day “ i ” in the relevant Interest Accrual Period, is equal to TONA in respect of that day “ i ”; and

“**TONA Rate Cut-Off Date**” means the date that is a number of Tokyo Banking Day(s) prior to the end of each Interest Period, the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, as specified in the relevant Final Terms.

For purposes of calculating TONA Compound with respect to the final Interest Accrual Period, the level of TONA for each Tokyo Banking Day in the period from (and including) the TONA Rate Cut-Off Date to (but excluding) the Scheduled Redemption Date, the Maturity Date or the redemption date, as applicable, shall be the level of TONA in respect of such TONA Rate Cut-Off Date.

If, in respect of that Tokyo Banking Day “ i -pTBD” or “ i ”, as applicable, the Calculation Agent determines that the TONA is not available on the Bloomberg Screen TONA Page or the Relevant Screen Page as applicable (the “**TONA Screen Page**”) or has not otherwise been published by the relevant authorised distributors, such TONA shall be (i) the Bank of Japan’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant Tokyo Banking Day; plus (ii) the mean of the spread of the TONA to the Bank Rate over the previous five (5) days on which a TONA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate (the “**TONA Replacement Rate**”).

Notwithstanding the paragraph above, in the event the Bank of Japan publishes guidance as to (i) how the TONA is to be determined or (ii) any rate that is to replace the TONA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine the TONA Replacement Rate for the purpose of the Bonds for so long as the TONA is not available or has not been published by the authorised distributors.

(viii) *Provisions relating to Floating Rate Bonds which reference CORRA*

If the relevant Final Terms specify the Interest Rate applicable to the Bonds as being Floating Rate and the Relevant Rate specified in the applicable Final Terms is CORRA, the Interest Rate for each Interest Period shall be the rate of return of a daily compound interest investment (with the daily Canadian Dollar overnight repurchase rate as the reference rate for the calculation of interest), plus or minus (a) for any Interest Period that ends before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends on or after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate, all as determined by the Calculation Agent on the Interest Determination Date, according to the formula below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{CORRA_{i-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

with the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards,

where:

“**CORRA**”, in respect of any Toronto Banking Day, is a reference rate equal to the daily Canada Overnight Repo Rate Average for such Toronto Banking Day as provided by the administrator of CORRA to authorized distributors and as then published on the Relevant Screen Page, or, if the Relevant Screen Page is unavailable, as otherwise published by such authorized distributors, in each case on the Toronto Banking Day immediately following such Toronto Banking Day;

“**CORRA_{i-pTBD}**”, for any Toronto Banking Day “i” in the relevant Interest Period, is equal to the CORRA in respect of the Toronto Banking Day falling a number of Toronto Banking Days prior to that day “i” equal to the number of Observation Shift Days.

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” for any Interest Period, means the number of Toronto Banking Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant Toronto Banking Day in chronological order from (and including) the first Toronto Banking Day in the relevant Interest Period to (but excluding) the Interest Payment Date corresponding to such Interest Period;

“**n_i**” for any Toronto Banking Day “i” means the number of calendar days from, and including, such Toronto Banking Day “i” up to, but excluding, the following Toronto Banking Day;

“**Observation Period**” means, in respect of each Interest Period, the period from (and including) the date falling a number of Toronto Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to (but excluding) the date falling a number of Toronto Banking Days equal to

the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

“Observation Shift Days” means the number of Toronto Banking Days specified in the relevant Final Terms, which shall not be less than five at any time unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate); and

“Toronto Banking Day” or **“TBD”** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Toronto.

If CORRA is not published on the Relevant Screen Page (the **“CORRA Screen Page”**) on any particular Toronto Banking Day or has not otherwise been published by the relevant authorized distributors, then (i) CORRA shall be equal to the BOC Target Rate, and (ii) if the BOC Target Rate does not exist, the Calculation Agent will determine CORRA in respect of such Toronto Banking Day as being the CORRA in respect of the last Toronto Banking Day for which CORRA was published on the Relevant Screen Page or as otherwise published by the relevant authorized distributors.

Notwithstanding the paragraph above, in the event the Bank of Canada publishes guidance as to (i) how CORRA is to be determined or (ii) any rate that is to replace CORRA, the Calculation Agent shall, to the extent that it is reasonably practicable and it is instructed by the Issuer in writing, follow such guidance in order to determine CORRA for any Toronto Banking Day “i” for so long as CORRA is not available or has not been published by the authorized distributors.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be that determined at the last preceding Interest Determination Date.

If a CORRA Cessation Event and its related CORRA Cessation Effective Date occurs, the Issuer will use an Applicable Fallback Rate, as adjusted, in the case of the CAD Recommended Rate, on the instructions of the Issuer by the Calculation Agent as necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison with CORRA, for all purposes relating to the Bonds in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of an Applicable Fallback Rate, the Calculation Agent may, on the instructions of the Issuer, make such adjustments to the Applicable Fallback Rate or the spread thereon, as well as the Toronto Banking Day and calendar day count conventions, and related provisions and definitions including the Interest Payment Date and Observation Date, in each case as are consistent with accepted market practice for the use of the Applicable Fallback Rate for debt obligations such as the Bonds in such circumstances.

Any determination, decision or election that may be made by the Issuer, in relation to the Applicable Fallback Rate, including any determination with respect to an adjustment or the occurrence or non- non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion and under the instructions of the Issuer, and the Calculation Agent will not make any determination, decision or election to which the Issuer objects and will have no liability for not making any determination, decision or election; and (iii) shall become effective without consent from the holders of the Bonds or any other party.

In connection with the CORRA provisions above, the following definitions apply:

“Applicable Fallback Rate” means one of the CAD Recommended Rate or the BOC Target Rate, as applicable.

“Bank of Canada’s Website” means the website of the Bank of Canada currently at www.bankofcanada.ca or any successor source officially designated by the Bank of Canada.

“BOC Target Rate” means the prevailing Bank of Canada target for the overnight rate as displayed on the Bank of Canada Website on such Toronto Banking Day, or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards).

“CAD Recommended Rate” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

“CORRA Cessation Effective Date” means, in respect of one or more CORRA Cessation Events, the first date on which CORRA is no longer provided. If CORRA ceases to be provided on the same day that it is required to determine the rate for an Interest Period but it was provided on the Observation Date for such Interest Period, then the CORRA Cessation Effective Date will be the next day on which CORRA would ordinarily have been published.

“CORRA Cessation Event” means:

- (A) a public statement or publication of information by or on behalf of the administrator of CORRA announcing that it has ceased or will cease to provide CORRA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CORRA; or

- (B) a public statement or publication of information by the regulatory supervisor for the administrator of CORRA, the Bank of Canada, an insolvency official with jurisdiction over the administrator for CORRA, a resolution authority with jurisdiction over the administrator for CORRA or a court or an entity with similar insolvency or resolution authority over the administrator for CORRA, which states that the administrator of CORRA has ceased or will cease to provide CORRA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CORRA.

“**Observation Date**” means the date falling a number of Toronto Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period.

(d) ***Fixed Rate Bonds***

This Condition 6(d) is applicable only if the relevant Final Terms specify the Bonds as Fixed Rate Bonds.

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms.

The Interest Rate applicable to the Bonds for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the rate determined in accordance with Condition 6(c) (*Floating Rate Bonds*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(e) ***Indexed Bonds***

This Condition 6(e) is applicable only if the relevant Final Terms specify the Bonds as Indexed Bonds.

Payments of principal on, and the interest payable in respect of, the Bonds will be subject to adjustment for indexation and to the extent set out in Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP – Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable.

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms.

The Interest Rate applicable to the Bonds for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the arithmetic mean rate determined in accordance with Condition 6(c) (*Floating Rate Bonds*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(f) ***Step Up Option and/or Premium Payment Option for Fixed Rate Bonds and Floating Rate Bonds***

This Condition 6(f) applies to Bonds in respect of which the applicable Final Terms indicate that the Step Up Option and/or Premium Payment Option, as the case may be, is or are applicable (*Sustainability-Linked Bonds*).

(i) **Step Up Option**

Where the Step Up Option is specified as being applicable in the relevant Final Terms, for any Interest Period commencing on or after the first Interest Payment Date immediately following the occurrence of a Step Up Event, if any, the Initial Rate of Interest (in the case of Fixed Rate Bonds) or the Initial Margin (in the case of Floating Rate Bonds) shall be increased by the Step Up Margin specified in the applicable Final Terms.

If the applicable Final Terms specify the Step Up Option and one or more of the In the Air Carbon KPI Step Up Event and/or the On the Ground Carbon KPI Step Up Event as being applicable, and more than one such Step Up Events occur, then the Initial Rate of Interest (in the case of Fixed Rate Bonds) or the Initial Margin (in the case of Floating Rate Bonds) shall be increased by the aggregate of the Step Up Margin applicable to each such Step Up Event which has occurred.

If the applicable Final Terms specify the Step Up Option and one or more of the In the Air Carbon KPI Step Up Event and/or the On the Ground Carbon KPI Step Up Event as being applicable, and only one of the Step Up Events occurs, then the Initial Rate of Interest (in the case of Fixed Rate Bonds) or the Initial Margin (in the case of Floating Rate Bonds), will only be increased by the Step Up Margin specified in relation to the Step Up Event which has occurred.

(ii) **Premium Payment Option**

Where a Premium Payment Option is specified as being applicable in the relevant Final Terms and a Step Up Event occurs, the Bonds shall be redeemed on their Maturity Date in accordance with Condition 8(b) (*Final Redemption*) or, as the case may be, early redeemed in accordance with Conditions 8(a) (*Scheduled Redemption*), 8(d) (*Optional Redemption*), 8(e) (*Redemption for Index Event, Taxation or Other Reasons*), 8(f) (*Early Redemption on Prepayment of Borrower Loan Agreements*), 8(g) (*Early redemption following Loan Enforcement Notice*) or 11 (*Bond Events of Default*) as applicable, on the date set for redemption (in each case, the "**Premium Payment Date**"), at their Adjusted Final Redemption Amount.

The "**Adjusted Final Redemption Amount**" will be equal to the sum of the relevant Redemption Amount as determined in accordance with Conditions 8 or 11 (as applicable) and:

- (A) in the event the Issuer has not met the In the Air Carbon KPI Condition or the On the Ground KPI Condition (as applicable) as specified in the relevant Final Terms with respect to the relevant In the Air Carbon KPI Percentage Reference Year or On the Ground Carbon KPI Percentage Reference Year (as applicable) as a result of the In the Air Carbon KPI being less than the relevant In the Air Carbon KPI Percentage Threshold or the On the Ground Carbon KPI being less than the relevant On the Ground Carbon KPI Percentage Threshold, the Premium Payment Amount; and
- (B) in the event the Issuer has not met the In the Air Carbon KPI Condition or the On the Ground KPI Condition (as applicable) as specified in the relevant Final Terms as a result of the Issuer failing to publish the Sustainability Report and the Assurance Report relating thereto and (if applicable) the related 2019 On the Ground Carbon Baseline Assurance Report or 2019 In the Air Carbon Baseline Assurance Report in accordance with Condition 14A (*Available Information*) by not later than the relevant Step Up Notification Deadline, the Premium Payment Amount,

provided that the Adjusted Final Redemption Amount may comprise only one Premium Payment Amount during the term of the Sustainability-Linked Bonds.

Consequently, if a Premium Payment Amount is due following the occurrence of the circumstances described in paragraphs (A) and (B) above and such circumstances re-occur on any subsequent date, the Adjusted Final Redemption Amount shall not comprise any further Premium Payment Amount.

(iii) Notifications

The Issuer will cause (i) the occurrence of a Step Up Event and (ii) (unless the relevant Step Up Event has previously occurred and been notified to the Principal Paying Agent, the Bond Trustee and the Bondholders as required by this Condition 6(f) the satisfaction of the In the Air Carbon KPI Condition in respect of any In the Air Carbon KPI Percentage Reference Year and the On the Ground Carbon KPI Condition in respect of any On the Ground Carbon KPI Percentage Reference Year (as applicable) to be notified to the Principal Paying Agent, the Agent Bank, the Calculation Agent (if applicable), the Bond Trustee and, in accordance with Condition 14A (*Available Information*), the Bondholders as soon as reasonably practicable after such occurrence or satisfaction (as applicable) and in no event later than the relevant Step Up Notification Deadline. Such notice shall be irrevocable and shall specify the Rate of Interest and, in the case of a notification of the occurrence of a Step Up Event, the Step Up Margin and the Step Up Date in respect of any applicable Step Up Option and/or the Premium Payment Amount in respect of any applicable Premium Payment Option.

For the avoidance of doubt, an In the Air Carbon KPI Step Up Event and/or an On the Ground Carbon KPI Step Up Event may only occur once each during the term of the relevant Sustainability-Linked Bonds. The Rate of Interest (in the case of Fixed Rate Bonds) or Margin (in the case of Floating Rate Bonds) will not subsequently decrease and the Premium Payment Option will not be disappplied subsequently, regardless of the In the Air Carbon KPI Percentage for any other specified In the Air Carbon KPI Percentage Reference Year following the occurrence of an In the Air Carbon KPI Step Up Event or the On the Ground Carbon KPI Percentage for any other specified On the Ground Carbon KPI Percentage Reference Year following the occurrence of an On the Ground Carbon KPI Step Up Event, as the case may be.

None of the Bond Trustee, the Agent Bank, the Calculation Agent or the Principal Paying Agent shall be obliged to monitor or inquire as to whether a Step Up Event has occurred or have any liability in respect thereof and the Bond Trustee, the Agent Bank, the Calculation Agent and the Principal Paying Agent shall be entitled to rely absolutely on any notice given to it by the Issuer pursuant to this Condition 6(f) without further enquiry or liability.

(iv) Definitions

As used in these Conditions:

“2019 In the Air Carbon Baseline” means 19,993,153 metric tons of carbon dioxide equivalent (t CO₂e) for the financial year ending 31 December 2019 or, if applicable the amount as recalculated in good faith by the Issuer to reflect any significant or structural changes to the Group in line with the relevant Recalculation Policy, confirmed by the relevant Assurance Provider in an Assurance Report and published by the Issuer in the latest Sustainability Report in accordance with Condition 14A (*Available Information*);

“2019 In the Air Carbon Baseline Assurance Report” has the meaning given to it in Condition 14A (*Available Information*);

“2019 On the Ground Carbon Baseline” means 1,047,588 metric tonnes of carbon dioxide equivalent (t CO₂e) for the financial year ending 31 December 2019, or, if applicable the amount as recalculated in good faith by the Issuer to reflect any significant or structural changes to the Group in line with the Recalculation Policy, confirmed by the relevant Assurance Provider in an Assurance Report and published by the Issuer in the latest Sustainability Report in accordance with Condition 14A (*Available Information*);

“2019 On the Ground Carbon Baseline Assurance Report” has the meaning given to it in Condition 14A (*Available Information*);

“Assurance Provider” means an independent, qualified provider of third party assurance or attestation services appointed by the Issuer to review the Issuer’s statements of the In the Air Carbon KPI and/or the On the Ground Carbon KPI;

“Assurance Report” has the meaning given to it in Condition 14A (*Available Information*);

“In the Air Carbon KPI” means, in metric tonnes of carbon dioxide equivalent (t CO₂e), the sum of absolute “in the air” carbon emissions from value chain activities not owned or controlled by the Group but that can be indirectly impacted by the Group's actions, as defined by the GHG Protocol Standard and emitted from aircraft during landing and take-off up to 3000ft and cruise phase for departing flights (the **“In the Air Scope 3 Emissions”**), as calculated in good faith by the Issuer in respect of a financial year, confirmed by the relevant Assurance Provider and reported by the Issuer in the relevant Sustainability Report;

“In the Air Carbon KPI Condition”, in relation to an In the Air Carbon KPI Percentage Reference Year, is the condition that:

- (a) the Sustainability Report and the Assurance Report relating to such In the Air Carbon KPI Percentage Reference Year and (if applicable) the related 2019 In the Air Carbon Baseline Assurance Report have been published by the Issuer in accordance with Condition 14A (*Available Information*) by no later than the relevant Step Up Notification Deadline;
- (b) the In the Air Carbon KPI in respect of such In the Air Carbon KPI Percentage Reference Year, as shown in the relevant Sustainability Report referred to in paragraph (a) above, was equal to or greater than the In the Air Carbon KPI Percentage Threshold in respect of such In the Air Carbon KPI Percentage Reference Year; and

and if the requirements of paragraph(s) (a) or (b) are not met, the Issuer shall be deemed to have failed to satisfy the In the Air Carbon KPI Condition in respect of the relevant In the Air Carbon KPI Percentage Reference Year;

“In the Air Carbon KPI Percentage” means, in respect of the relevant In the Air Carbon KPI Percentage Reference Year specified in the applicable Final Terms, the percentage by which the In the Air Carbon KPI for such financial year is a reduction in comparison to the 2019 In the Air Carbon Baseline, as calculated in good faith by the Issuer in accordance with Condition 14A (*Available Information*);

“In the Air Carbon KPI Percentage Reference Year” means the financial year(s) of the Group specified in the applicable Final Terms as being the In the Air Carbon KPI Percentage Reference Year(s);

“In the Air Carbon KPI Percentage Threshold” means:

- a) if a single In the Air Carbon KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the In the Air Carbon KPI Percentage Threshold; or
- b) if more than one In the Air Carbon KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the In the Air Carbon KPI Percentage Threshold in respect of the relevant In the Air Carbon KPI Percentage Reference Year(s).

For the avoidance of doubt, any significant or structural change to the Group will not result in any adjustment to the In the Air Carbon KPI Percentage Threshold(s), but may result in the recalculation of the 2019 In the Air Carbon Baseline;

an **“In the Air Carbon KPI Step Up Event”** occurs if:

- a) the Issuer fails to satisfy the In the Air Carbon KPI Condition in respect of any In the Air Carbon KPI Percentage Reference Year; and

- b) no In the Air Carbon KPI Step Up Event has previously occurred in respect of the Sustainability-Linked Bonds;

“Initial Margin” means, in respect of Floating Rate Bonds, the initial Margin specified in the applicable Final Terms;

“Initial Rate of Interest” means, in respect of Fixed Rate Bonds, the initial Rate of Interest specified in the applicable Final Terms;

“On the Ground Carbon KPI” means, in metric tonnes of carbon dioxide equivalent (t CO₂e), the sum of:

- (a) direct “on the ground” absolute carbon emissions from owned or controlled sources of the Group as defined by the GHG Protocol Standard and emitted from airport vehicles, buildings and infrastructure specifically (the **“Ground Scope 1 Emissions”**);
- (b) indirect “on the ground” absolute carbon emissions from electricity, steam, heat and cooling purchased or acquired by the Group, as defined by the GHG Protocol Standard and emitted from buildings and infrastructure specifically (the **“Ground Scope 2 Emissions”**);
- (c) absolute “on the ground” carbon emissions from value chain activities not owned or controlled by the Group but that can be indirectly impacted by the Group's actions, as defined by the GHG Protocol Standard and emitted from surface access (passengers and colleagues), supply chains, airport vehicles and buildings and infrastructure specifically (the **“Ground Scope 3 Emissions”**)

in each case as calculated using the market-based method in good faith by the Issuer in respect of a financial year, confirmed by the relevant Assurance Provider and reported by the Issuer in the relevant Sustainability Report;

“On the Ground Carbon KPI Condition”, in relation to an On the Ground Carbon KPI Percentage Reference Year, is the condition that:

- (d) the Sustainability Report and the Assurance Report relating to such On the Ground Carbon KPI Percentage Reference Year and (if applicable) the related 2019 On the Ground Carbon Baseline Assurance Report have been published by the Issuer in accordance with Condition 14A (*Available Information*) by no later than the relevant Step Up Notification Deadline;
- (e) the On the Ground Carbon KPI in respect of such On the Ground Carbon KPI Percentage Reference Year, as shown in the relevant Sustainability Report referred to in paragraph (a) above, was equal to or greater than the On the Ground Carbon KPI Percentage Threshold in respect of such On the Ground Carbon KPI Percentage Reference Year; and

and if the requirements of paragraph(s) (a) or (b) are not met, the Issuer shall be deemed to have failed to satisfy the On the Ground Carbon KPI Condition in respect of the relevant On the Ground Carbon KPI Percentage Reference Year;

“On the Ground Carbon KPI Percentage” means, in respect of the relevant On the Ground Carbon KPI Percentage Reference Year specified in the applicable Final Terms, the percentage by which the On the Ground Carbon KPI for such financial year is a reduction in comparison to the 2019 On the Ground Carbon Baseline, as calculated in good faith by the Issuer in accordance with Condition 14A (*Available Information*);

“On the Ground Carbon KPI Percentage Reference Year” means the financial year(s) of the Group specified in the applicable Final Terms as being the On the Ground Carbon KPI Percentage Reference Year(s);

an **“On the Ground Carbon KPI Step Up Event”** occurs if:

- a) the Issuer fails to satisfy the On the Ground Carbon KPI Condition in respect of any On the Ground Carbon KPI Percentage Reference Year; and

- b) no On the Ground Carbon KPI Step Up Event has previously occurred in respect of the Sustainability-Linked Bonds;

"On the Ground Carbon KPI Percentage Threshold" means:

- a) if a single On the Ground Carbon KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the On the Ground Carbon KPI Percentage Threshold; or
- b) if more than one On the Ground Carbon KPI Percentage Reference Year is specified in the applicable Final Terms, the threshold (expressed as a percentage) specified in the applicable Final Terms as being the On the Ground Carbon KPI Percentage Threshold in respect of the relevant On the Ground Carbon KPI Percentage Reference Year(s).

For the avoidance of doubt, any significant or structural change to the Group will not result in any adjustment to the On the Ground Carbon KPI Percentage Threshold(s), but may result in the recalculation of the 2019 On the Ground Carbon Baseline;

"Premium Payment Amount" means the amount specified or calculated in accordance with the relevant Final Terms as being the Premium Payment Amount with respect to a given In the Air Carbon KPI Percentage Reference Year and/or On the Ground Carbon KPI Percentage Reference Year;

"Premium Payment Date" has the meaning given to it in Condition 6(f)(ii);

"Recalculation Policy" means the Group's recalculation policy in relation to any of the In the Air Carbon KPI and/or the On the Ground Carbon KPI, as set out within the Sustainability-Linked Bond Framework;

"Step Up Date" means the first day of the next Interest Period following the date on which a Step Up Event occurs;

a **"Step Up Event"** means, as specified in the applicable Final Terms, an In the Air Carbon KPI Step Up Event, and/or an On the Ground Carbon KPI Step Up Event;

"Step Up Margin" means, in relation to any Step Up Event, the amount specified in the applicable Final Terms as being the Step Up Margin in respect of such Step Up Event;

"Step Up Notification Deadline" means, in relation to any In the Air Carbon KPI Percentage Reference Year or any On the Ground Carbon KPI Percentage Reference Year as the case may be, the day falling 180 days after the last day of the relevant In the Air Carbon KPI Percentage Reference Year or the relevant On the Ground Carbon KPI Percentage Reference Year as the case may be; and

"Sustainability Report" has the meaning given to it in Condition 14A (*Available Information*).

(g) ***Rounding***

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

- (i) 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);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). 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.

(h) ***Calculations***

The amount of interest payable in respect of any Bond for each Interest Period shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the specified currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Bond divided by the Calculation Amount (as defined in Condition 6(j) (*Definitions*)) and, in the case of Indexed Bonds only, adjusted according to the indexation set out in Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable, unless an Interest Amount is specified in respect of such period in the relevant Final Terms, in which case the amount of interest payable in respect of such Bond for such Interest Period will equal such Interest Amount.

(i) ***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 Agent Bank (or the Calculation Agent, if applicable) may be required to calculate any Redemption Amount or the amount of an instalment of scheduled principal (an “**Instalment Amount**”) or make any determination or calculation, the Agent Bank (or the Calculation Agent, if applicable) will determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Specified Denomination of Bonds for the relevant Interest Period (including, for the avoidance of doubt any applicable Index Ratio to be calculated in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable), calculate the Redemption Amount or Instalment Amount or make such

determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount, Principal Amount Outstanding or any Instalment Amount to be notified to, in the case of Bearer Bonds, the Paying Agents or in the case of Registered Bonds, the Registrar, and, in each case, the Bond Trustee, the Issuer, the Bondholders and the Stock Exchange as soon as possible after its determination but in no event later than (i) (in case of notification to the Stock Exchange by which the relevant Bonds have then been admitted to listing, trading and/or quotation) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date 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. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Sub-Class or Class of Bonds are for the time being listed or by which they have been admitted to listing, to the Principal Paying Agent, the Bond Trustee and to the Bondholders in accordance with Condition 17 (*Notices*). If the Bonds become due and payable under Condition 11 (*Bond Events of Default*), the accrued interest and the Interest Rate payable in respect of the Bonds shall nevertheless continue to be calculated as previously provided 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 Bond Trustee. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount and the making of each determination or calculation by the Agent Bank (or the Calculation Agent, if applicable) or, as the case may be, the Bond Trustee pursuant to this Condition 6 or Condition 7 (*Indexation*), shall (in the absence of manifest error) be final and binding upon all parties.

(j) ***Definitions***

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

“**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day; 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 the principal financial centre of the Relevant Currency (which in the case of a payment in U.S. dollars shall be New York) and in each (if any) additional city or cities specified as the Relevant Financial Centre in the relevant Final Terms,

provided that when “Business Day” is used in relation to (a) a payment of principal or interest that will ultimately be used to make a payment on any Wrapped Bond or (b) any notice delivered in connection with such a payment, a day will only be a Business Day if it is also a business day (howsoever defined) for the purposes of the relevant Financial Guarantee;

“**Bond Relevant Date**” means, in respect of any Class, Sub-Class or Tranche of the Bonds, the earlier of (a) the date on which all amounts in respect of the Bonds have been paid, and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Bonds in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Bondholders in accordance with Condition 17 (*Notices*);

“**Calculation Amount**” means the amount specified as such in the relevant Final Terms;

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

- (i) if “**Actual/Actual (ICMA)**” is specified:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (i) if “**Actual/365**” or “**Actual/Actual**” is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366, and (2) the actual number of

days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (1) 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 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 (2) 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));
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the last day of such 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);
- (vii) if “**Actual/Actual Canadian Compound Method**” is specified, whenever it is necessary to compute any amount of accrued interest in respect of the Bonds for a period of less than one full year, other than in respect of any regular semi-annual interest payments, such interest will be calculated on the basis of the actual number of days in the Calculation Period and a year of 365 days;
- (viii) if “**Australian Bond Basis**” is specified, one divided by the number of Interest Payment Dates in each twelve month period.

“**euro**” means the lawful currency of the Participating Member States;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms;

“**Interest Determination Date**” means, with respect to an Interest Rate and an Interest Period, the date specified as such in the relevant Final Terms which shall not be less than five Business Days in London prior to the first day of such Interest Period (or if the specified currency is sterling the first day of such Interest Period) (as adjusted in accordance with any Business Day Convention specified in the relevant Final Terms) unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate) or, if none is so specified, the day falling five Business Days in London prior to the first day of such Interest Period (or if the specified currency is sterling the first day of such

Interest Period) (as adjusted in accordance with any Business Day Convention specified in the relevant Final Terms);

“**Interest Payment Date**” means the date(s) specified as such in the relevant Final Terms;

“**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 Bonds and which is either specified as such in, or calculated in accordance with the provisions of, these Conditions and/or the relevant Final Terms;

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.) and for the avoidance of doubt, the definition of ‘Fallback Observation Day’ in the ISDA Definitions as applicable shall be deemed deleted in its entirety and replaced with the following: “‘Fallback Observation Day’ means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date”;

“**Issue Date**” means the date specified as such in the relevant Final Terms;

“**Margin**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms;

“**Maturity Date**” means the date specified in the relevant Final Terms as the final date on which the principal amount of the Bond is due and payable;

“**Participating Member State**” means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities (as amended), and “**Participating Member States**” means all of them;

“**Principal Amount Outstanding**” means, in relation to a Bond, Sub-Class or Class, the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Bond, Sub-Class or Class provided that, with respect to Zero Coupon Bonds, where the Principal Amount Outstanding of each Bond is required to be calculated on any date other than the Scheduled Redemption Date it shall be calculated in accordance with the following formula:

The original face value thereof * (1 + Accrual Yield) ^ N

Where:

N = number of years between the Issue Date and the date on which the relevant calculation is required to be made; and

“**Accrual Yield**” shall have the meaning specified as such in the relevant Final Terms.

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 Final Terms for the purposes of the definition of “Principal Amount Outstanding” or, if none is so specified, a Day Count Fraction of 30/360;

“**Redemption Amount**” means the amount provided under Condition 8(d) (*Optional Redemption*), unless otherwise specified in the relevant Final Terms;

“**Reference Banks**” means the institutions specified as such or, if none, four major banks selected by the Issuer in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Issuer in its sole and absolute discretion;

“**Relevant Currency**” means the currency specified as such or, if none is specified, the currency in which the Bonds are denominated;

“**Relevant Financial Centre**” means, with respect to any Bond, the financial centre specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the Relevant Rate is most closely connected as determined by the Agent Bank (or the Calculation Agent, if applicable);

“**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 relevant Final Terms);

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including the Reuters Money 3000 Service (“**Reuters**”)) as may be specified in the relevant Final Terms, 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;

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms 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;

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

“**Scheduled Redemption Date**” has the meaning given to it in the applicable Final Terms;

“**Specified Duration**” means, with respect to any Floating Rate (as defined in the ISDA Definitions) to be determined on an Interest Determination Date, the period or duration specified as such in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Period;

“**Step-Up Fixed Fee Rate**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero;

“**Step-Up Floating Fee Rate**” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero;

“**sub-unit**” means in the case of any currency, the lowest amount of such currency that was available as legal tender in the country of such currency;

“**TARGET Settlement Day**” means any day on which the TARGET system is open; and

“**TARGET system**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer system (TARGET or TARGET2).

(k) ***Agent Bank, Calculation Agent and Reference Banks***

The Issuer will procure that there shall at all times be an Agent Bank (and a Calculation Agent, if applicable) and four Reference Banks selected by the Issuer with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to this Bond and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will select another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Agent Bank (or the Calculation Agent, if applicable) is unable or unwilling to act as such or if the Agent Bank (or the Calculation Agent, if applicable) fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint (with the prior written consent of the Bond Trustee) a successor to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

(l) ***Determination or Calculation by Bond Trustee***

If the Agent Bank (or the Calculation Agent, if applicable) does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by it, the Bond Trustee shall (without liability for so doing) determine such Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Bond Trust Deed) it shall deem 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, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Agent Bank (or the Calculation Agent, if applicable).

(m) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 6 (*Interest and Other Calculations*) whether by the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer, each Obligor, the Agent Bank, the Bond Trustee, the Principal Paying Agent, the other Agents and all Bondholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Obligors, the Bond Trustee, the Bondholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Agent Bank or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(n) ***Benchmark Discontinuation***

(i) ***Independent Adviser***

If a Benchmark Event occurs in relation to an Original Relevant Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Relevant Rate, then the Issuer shall notify the Agent Bank or the Calculation Agent (if applicable) of the occurrence of such Benchmark Event and use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(n)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6(n)(iii)) and any Benchmark Amendments (in accordance with Condition 6(n)(iv)).

An Independent Adviser appointed pursuant to this Condition 6(n) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Bond Trustee, the Paying Agents, the Bondholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6(n).

(ii) ***Successor Rate or Alternative Rate***

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(n)(iii)) subsequently be used in place of the Original Relevant Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the relevant Bonds (subject to the operation of this Condition 6(n)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(n)(iii)) subsequently be used in place of the Original Relevant Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the relevant Bonds (subject to the operation of this Condition 6(n)).

(iii) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendment*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(n) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(n)(v), without any requirement for the consent or approval of Bondholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice and the Bond Trustee shall (without any requirement for the consent or approval of Bondholders and regardless of whether or not the Benchmark Amendment constitutes a Basic Terms Modification) concur with the Issuer in making any such variations provided that it receives the certificate specified in Condition 6(n)(v) below. Notwithstanding any other provision of this Condition 6(n), the Bond Trustee, the Agent Bank or the Calculation Agent (if applicable) shall not be obliged to agree to any Benchmark Amendments which, in the sole opinion of the Bond Trustee, the Agent Bank or the Calculation Agent (if applicable) would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Bond Trustee, the Agent Bank or the Calculation Agent (if applicable) in the Transaction Documents and/or these Conditions.

In connection with any such variation in accordance with this Condition 6(n)(iv), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(n) will be notified promptly and, in any event, no less than the date which is ten Business Days prior to the relevant Interest Determination Date by the Issuer to the Bond Trustee, the Agent Bank, the Calculation Agent (if applicable), the Paying Agents and, in accordance with Condition 17, the Bondholders. Such notice shall be irrevocable and shall specify the effective date (which shall be on or after the date of such notice and not less than five Business Days prior to the next Interest Determination Date) of the Benchmark Amendments, if any.

No later than notifying the Bond Trustee of the same, the Issuer shall deliver to the Bond Trustee a certificate (on which the Bond Trustee shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) that the Issuer has consulted with an Independent Adviser, (iii) the Successor Rate or, as the case may be, the Alternative Rate and, (iv) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(n); and
- (B) certifying that the Benchmark Amendments (i) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and (ii) in each case, have been drafted solely to such effect.

The Issuer shall display such certificate at its offices, for inspection by the Bondholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and) be binding on the Issuer, the Bond Trustee, the Calculation Agent, the Paying Agents and the Bondholders.

(vi) *Survival of Original Relevant Rate*

Without prejudice to the obligations of the Issuer under Conditions 6(m)(i), (ii), (iii) and (iv), the Original Relevant Rate and the fallback provisions provided for in Conditions 6(c) will continue to apply unless and until the Agent Bank or the Calculation Agent, as applicable, has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 6(n)(v).

(vii) *Definitions*

As used in this Condition:

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer,

following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Bondholders and Couponholders as a result of the replacement of the Original Relevant Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which is notified by the Issuer to the Agent Bank or the Calculation Agent (if applicable) as being:

- (iv) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Relevant Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (v) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Relevant Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (vi) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

“**Alternative Rate**” means an alternative to the Relevant Rate which the Issuer determines and notifies to the Agent Bank or the Calculation Agent (if applicable), in accordance with Condition 6(n)(ii) has replaced the Original Relevant Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the relevant Bonds.

“**Benchmark Amendments**” has the meaning given to it in Condition 6(n)(iv).

“**Benchmark Event**” means:

- (i) the Original Relevant Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Relevant Rate that it will, by a specified date within the following six months, cease publishing the Original Relevant Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Relevant Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Relevant Rate that the Original Relevant Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

- (iv) a public statement by the supervisor of the administrator of the Original Relevant Rate that means the Original Relevant Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;
- (v) it has become unlawful for any Paying Agent, the Agent Bank, the Calculation Agent (if applicable) or the Issuer to calculate any payments due to be made to any Bondholder using the Original Relevant Rate; or
- (vi) a change in the generally accepted market practice in the bond market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other regulatory body or authority equivalent to the foregoing in any relevant jurisdiction, including the Working Group on Sterling Risk-Free Relevant Rates, despite the continued existence of the Original Relevant Rate.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 6(n)(i).

“Original Relevant Rate” means the originally-specified Relevant Rate used to determine the Interest Rate (or any component part thereof) on the Bonds.

“Relevant Nominating Body” means, in respect of a Relevant Rate:

- (i) the central bank for the currency to which the Relevant Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Relevant Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Relevant Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Relevant Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Relevant Rate which is formally recommended by any Relevant Nominating Body.

7. Indexation

This Condition 7 is applicable only if the relevant Final Terms specify the Bonds as Indexed Bonds.

7.1 UK Retail Price Index

Where UK Retail Price Index is specified as the Index or Index Figure (each as defined below) in the relevant Final Terms, this Condition 7.1 will apply. For the purposes of this Condition 7.1, unless the context otherwise requires, the following defined terms shall have the following meanings:

“**affiliate**” means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, “control” means control as defined in the Companies Act;

“**Base Index Figure**” means (subject to Condition 7.1(b)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms;

“**Index**” or “**Index Figure**” means, subject as provided in Condition 7.1(b)(i) (*Change in base*), the UK Retail Price Index (RPI) (for all items) published by the Central Statistical Office and available to view at www.statistics.gov.uk (January 1987 = 100) or any comparable index which may replace the UK Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Any reference to the Index Figure:

- (i) if paragraph (i) of this definition is specified as “applicable” in the Final Terms, applicable to a particular month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication;
- (ii) applicable to the first calendar day of any month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) applicable to any other day in any month shall, subject as provided in Condition 7.1(b) (*Changes in Circumstances Affecting the Index*) and 7.1(d) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (ii) above, and (y) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (ii) above, and rounded in accordance with Condition 6(g) (*Rounding*).

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary prospectus;

“**Index Ratio**” applicable to any day or month, as the case may be, means the Index Figure applicable to such day or month, as applicable, divided by the Base Index Figure;

“**Limited Index Ratio**” means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

“**Limited Indexation Factor**” means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

“**Limited Indexation Month**” means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

“**Limited Indexed Bonds**” means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies; and

“**Reference Gilt**” means the Treasury Stock specified as such in the relevant Final Terms for so long as such stock is in issue, and thereafter such issue of index-linked Treasury Stock determined to be appropriate by a gilt-edged market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an “**Indexation Adviser**”).

(a) *Application of the Index Ratio*

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Bonds applicable to the day on which such payment falls to be made and rounded in accordance with Condition 6(g) (*Rounding*).

(b) *Changes in Circumstances Affecting the Index*

- (i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of “**Index**” and “**Index Figure**” in Condition 7.1 shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.
- (ii) Delay in publication of Index: If the Index Figure relating to any month (the “**relevant month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the relevant month shall be (1) such substitute index figure (if any) as the Bond Trustee considers to have been published by the UK Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation

of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Bond Trustee); or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7.1(b)(ii)(1)) before the date for payment.

(c) ***Application of Changes***

Where the provisions of Condition 7.1(b)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7.1(b)(ii)(2), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7.1(b)(ii)(2), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(d) ***Cessation of or Fundamental Changes to the Index***

- (i) If (1) the Bond Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
- (ii) If the Issuer and the Bond Trustee fail to reach agreement as mentioned above within 20 business days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Bond Trustee or, failing agreement on and the making of such appointment within 20 business days following the expiry of the 20 business day period referred to above, by the Bond Trustee (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Bonds one or more adjustments to the

Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.

- (iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in Condition 7.1(d)(i) but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7.1(b)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a “**provisional payment**”) on the Bonds having been made on the basis of an Index applicable under Condition 7.1(b)(ii)(1) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7.1(d) (*Cessation of or Fundamental Changes to the Index*), then:
- (A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or
- (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, each Relevant Financial Guarantor, the other Issuer Secured Creditors, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 17 (Notices) of such amendments as promptly as practicable following such notification.

7.2 HICP

Where HICP (as defined below) is specified as in the Index or Index Level (each as defined below) in the relevant Final Terms, this Condition 7.2 will apply. For the purposes of this Condition 7.2, unless the context otherwise requires, the following defined terms shall have the following meanings:

“Base Index Level” means the base index figure as specified in the relevant Final Terms;

“Index” or **“Index Level”** means (subject as provided in Condition 7.2(b) the non-revised Harmonised Index of Consumer Prices excluding tobacco or relevant Successor Index (as defined in Condition 7.2(b)(ii)), measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by Eurostat (the **“HICP”**). The first publication or announcement of a level of such index for a calculation month (as defined in Condition 7.2(b)(i)) shall be final and conclusive and later revisions to the level for such calculation month will not be used in any calculations. Any reference to the Index Level which is specified in these Conditions as applicable to any day ("d") in any month ("m") shall, subject as provided in Condition 7.2(b), be calculated as follows:

$$I_d = \text{HICP}_{m-3} + \frac{\text{nb}d}{\text{q}m} \times \left(\text{HICP}_{m-2} - \text{HICP}_{m-3} \right)$$

where:

I_d is the Index Level for the day d

HICP_{m-2} is the level of HICP for month m-2

HICP_{m-3} is the level of HICP for month m-3

nbd is the actual number of days from and excluding the first day of month m to but including day d; and

qm is the actual number of days in month m,

provided that if Condition 7.2(b) applies, the Index Level shall be the Substitute Index Level determined in accordance with such Condition.

"Index Business Day" means a day on which the TARGET system is operating;

"Index Determination Date" means in respect of any date for which the Index Level is required to be determined, the fifth Index Business Day prior to such date;

"Index Ratio" applicable to any date means the Index Level applicable to the relevant Index Determination Date divided by the Base Index Level and rounded to the nearest fifth decimal place, 0.000005 being rounded upwards; and

"Related Instrument" means an inflation-linked bond selected by the Calculation Agent that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European

Monetary Union with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity date after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. The Calculation Agent will select the Related Instrument from such of those inflation-linked bonds issued on or before the relevant Issue Date and, if there is more than one such inflation-linked bond maturing on the same date, the Related Instrument shall be selected by the Calculation Agent from such of those bonds. If the Related Instrument is redeemed, the Calculation Agent will select a new Related Instrument on the same basis, but selected from all eligible bonds in issue at the time the originally selected Related Instrument is redeemed (including any bond for which the redeemed originally selected Related Instrument is exchanged).

(a) *Application of the Index Ratio*

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio applicable to the date on which such payment falls to be made and rounded in accordance with Condition 6(g).

(b) *Changes in Circumstances Affecting the Index*

(i) Delay in publication of Index:

(A) If the Index Level relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Level for any date (the "**Relevant Level**") has not been published or announced by the day that is five Business Days before the date on which such payment is due (the "**Affected Payment Date**"), the Calculation Agent shall determine a Substitute Index Level (as defined below) (in place of such Relevant Level) by using the following methodology:

(1) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument;

(2) if (1) above does not result in a Substitute Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

Substitute Index Level = Base Level x (Latest Level / Reference Level)

where:

"Base Level" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor

entity which publishes such index) in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

"Latest Level" means the latest level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) prior to the month in respect of which the Substitute Index Level is being calculated; and

"Reference Level" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

- (B) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 7.2(b) will be the definitive level for that calculation month.
- (ii) Cessation of publication: If the Index Level has not been published or announced for two consecutive months or Eurostat announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a successor index in lieu of any previously applicable Index (the **"Successor Index"**) by using the following methodology:
- (A) if at any time a successor index has been designated by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument, such successor index shall be designated the **"Successor Index"** for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraphs (B), (C) or (D) below; or
 - (B) if a Successor Index has not been determined under paragraph (A) above and a notice has been given or an announcement has been made by Eurostat (or any successor entity which publishes such index) specifying that the Index will be superseded by a replacement index specified by Eurostat (or any such successor), and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index from the date that such replacement index comes into effect; or
 - (C) if a Successor Index has not been determined under paragraphs (A) or (B) above, the Calculation Agent shall ask five leading independent

dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "**Successor Index**". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "**Successor Index**". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (D) below;

- (D) if no Successor Index has been determined under paragraphs (A), (B) or (C) above on or before the fifth Index Business Day prior to the next Affected Payment Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed the "**Successor Index**";
 - (E) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer and the Bondholder shall, in conjunction with the Calculation Agent, determine an appropriate alternative index.
- (iii) **Rebasing of the Index:** If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for the purposes of determining each relevant Index Level from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made.
 - (iv) **Material Modification Prior to Interest Payment Date:** If, on or prior to the day that is five Business Days before an Interest Payment Date, Eurostat announces that it will make a material change to the Index then the Calculation Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Instrument.
 - (v) **Manifest Error in Publication:** If, within thirty days of publication, the Calculation Agent determines that Eurostat (or any successor entity which publishes such index) has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will notify the parties of (A) that correction, (B) the amount that is payable as a result of that correction and (C) take such other action as it may deem necessary to give effect to such correction.

7.3 **UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs**

Where either UK Consumer Price Index or UK Consumer Price Index including owner occupier's housing costs are specified as the Index or Index Figure (each as defined below) in the relevant Final Terms, this Condition 7.3 will apply. For the purposes of this Condition 7.3, unless the context otherwise requires, the following defined terms shall have the following meanings:

“**affiliate**” means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, “control” means control as defined in the Companies Act;

“**Base Index Figure**” means (subject to Condition 7.3(b)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms;

“**CPI**” means the UK Consumer Price Index (CPI) (for all items) published by the Office for National Statistics (2015 = 100) and available to view at www.statistics.gov.uk or any comparable index which may replace the UK Consumer Price Index for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any);

“**CPIH**” means the UK Consumer Price Index including owner occupier's housing costs (CPIH) (for all items) published by the Office for National Statistics (2015 = 100) and available to view at www.statistics.gov.uk or any comparable index which may replace the UK Consumer Price Index including owner occupier's housing costs for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any);

“**Index**” or “**Index Figure**” means, subject as provided in Condition 7.3(b)(i) (*Change in base*), either CPI or CPIH, as applicable. Any reference to the Index Figure:

- (i) applicable to the first calendar day of any month shall, subject as provided in Condition 7.3(b) (*Changes in Circumstances Affecting the Index*) and 7.3(d) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (ii) applicable to any other day in any month shall, subject as provided in Condition 7.3(b) (*Changes in Circumstances Affecting the Index*) and 7.3(d) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (i) above, and (y) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (i) above, and rounded to the nearest fifth decimal place.

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary prospectus;

“**Indexed Benchmark Gilt**” means the index-linked sterling obligation of the United Kingdom Government listed on the Official List of the Financial Conduct Authority (in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended) and traded on the London Stock Exchange whose average maturity most closely matches that of the Bonds as a gilt-edged market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an “**Indexation Adviser**”) shall determine to be appropriate;

“**Index Ratio**” applicable to any day or month, as the case may be, means the Index Figure applicable to such day or month, as applicable, divided by the Base Index Figure and rounded to the nearest fifth decimal place;

“**Limited Index Ratio**” means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

“**Limited Indexation Factor**” means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

“**Limited Indexation Month**” means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

“**Limited Indexed Bonds**” means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies; and

(a) *Application of the Index Ratio*

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Bonds applicable to the day on which such payment falls to be made and rounded in accordance with Condition 6(g) (*Rounding*).

(b) *Changes in Circumstances Affecting the Index*

(i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of “**Index**” and “**Index Figure**” in Condition 7.3 shall be deemed to refer to the new date or month in substitution for 2015 (or, as the case may

be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.

- (ii) Delay in publication of Index: If the Index Figure relating to any month (the “**relevant month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the relevant month shall be (1) such substitute index figure (if any) as the Bond Trustee considers, acting solely on the advice of the Indexation Adviser, to have been published by the UK Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation of payments on the Index Benchmarked Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Bond Trustee acting solely on the advice of the Indexation Adviser); or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7.3(b)(ii)(1)) before the date for payment.

(c) *Application of Changes*

Where the provisions of Condition 7.3(b)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7.3(b)(ii)(2), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7.3(b)(ii)(2), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(d) *Cessation of or Fundamental Changes to the Index*

- (i) If (1) the Bond Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
- (ii) If the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Bond Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 Business Day period referred to above, by the Bond Trustee acting solely on the advice of the Indexation Adviser (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.
- (iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in Condition 7.3(d)(i) but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7.3(b)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a “**provisional payment**”) on the Bonds having been made on the basis of an Index applicable under Condition 7.3(b)(ii)(1) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7.3(d) (*Cessation of or Fundamental Changes to the Index*), then:

- (A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Bonds on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Bonds if such adjustment or substituted index had been in effect on that date; or
 - (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee acting solely on the advice of the Indexation Adviser or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee acting solely on the advice of the Indexation Adviser and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, each Relevant Financial Guarantor, the other Issuer Secured Creditors, the Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 17 (*Notices*) of such amendments as promptly as practicable following such notification.

8. Redemption, Purchase and Cancellation

(a) *Scheduled Redemption*

Unless previously redeemed in full, or purchased and cancelled as provided below, or unless such Bond is stated in the relevant Final Terms as having no fixed maturity date, each Sub-Class of Bonds will be redeemed on the Scheduled Redemption Date as follows and to the following extent:

- (i) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Borrower Loan Agreement) of a principal amount equal to the Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), as applicable) of such Sub-Class, then the Bonds of such Sub-Class will be redeemed in full (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into); and

- (ii) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Borrower Loan Agreement) of a principal amount less than the Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*)) of such Sub-Class, then the Bonds of such Sub-Class will be redeemed pro rata in part to the extent of the amount which is so deposited (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into).

If the Bonds of a Sub-Class are not redeemed in full by the Scheduled Redemption Date, then on each Interest Payment Date which thereafter occurs, the Bonds of such Sub-Class will be redeemed in full or, as the case may be, *pro rata* in part to the extent of the principal amount (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross Currency Hedging Agreement, if such a Cross Currency Hedging Agreement has been entered into or, if there is no longer a Cross Currency Hedging Agreement in place and the Sub-Class is denominated in a currency other than the currency of the related advance, at a spot rate of exchange) which, if any, is received by the Issuer in repayment of the related advance(s) (in accordance with the provisions of the relevant Borrower Loan Agreements) until the earlier of (a) such time as such Sub-Class of Bonds is redeemed in full or (b) the Maturity Date specified in the relevant Final Terms for such Sub-Class.

(b) ***Final Redemption***

If the Bonds of a Sub-Class have not previously been redeemed in full, or purchased and cancelled, the Bonds will be finally redeemed at the then Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) of such Sub-Class plus accrued but unpaid interest on the Maturity Date specified in the relevant Final Terms for such Sub-Class.

In the case of principal on Class B Unwrapped Bonds only, if, on any date on or after the Maturity Date but prior to the delivery of a Bond Enforcement Notice on which such Bond is to be redeemed (in whole or in part), there are insufficient funds available to the Issuer to pay such principal, the Issuer’s liability to pay such principal will be treated as not having fallen due and will be deferred until the earliest of (i) the next following Interest Payment Date on which the Issuer has, in accordance with the cash management provisions of the Issuer Cash Management Agreement, sufficient funds to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which all Senior Debt has been paid in full and (iii) the date on which a Bond Enforcement Notice has been delivered. Interest will accrue on such deferred principal

at the rate otherwise payable on unpaid principal of such Class B Unwrapped Bonds immediately prior to the Maturity Date.

(c) ***Redemption of Zero Coupon Bonds after Scheduled Redemption Date***

If the relevant Final Terms specify that there is a Scheduled Redemption Date for the Bonds, the Redemption Amount payable upon redemption of a Zero Coupon Bond at any time after the Scheduled Redemption Date shall be an amount equal to the sum of:

- (i) the Redemption Amount that would have been payable if the Bond had been redeemed on the Scheduled Redemption Date; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to such amount from (and including) the Scheduled Redemption Date to (but excluding) the date of redemption or (as the case may be) the date upon which the Bond 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 Final Terms for the purposes of Condition 8(j) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, “**Accrual Yield**” has the meaning given to it in the relevant Final Terms.

(d) ***Optional Redemption***

Subject as provided below, upon giving not more than 60 nor less than 30 days’ notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders, the Issuer may (prior to the Maturity Date) redeem any Sub-Class of the Bonds in whole or in part (but on a pro rata basis only) on any Interest Payment Date at their Redemption Amount, provided that Floating Rate Bonds may not be redeemed before the date (if any) specified in the relevant Final Terms, as follows:

- (i) In respect of Fixed Rate Bonds denominated in sterling, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) their Principal Amount Outstanding and (ii) the price determined to be appropriate by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Redemption Yield (as defined below) on such Bonds on the Reference Date (as defined below) is equal to the Gross Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) while that stock is in issue, and thereafter such UK Government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee), determine to be appropriate, plus accrued but unpaid interest on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(i), “**Gross Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the UK Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” (published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002) page 5 or any replacement therefor plus 0.50 per cent. or such other percentage rate over or under such Reference Gilt (if any) as specified in the relevant Final Terms or Drawdown Prospectus and, for the purposes of such calculation, the date of redemption of the relevant Fixed Rate Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(i); and “**Reference Gilt**” means the Treasury Stock specified in the relevant Final Terms.

In respect of any Sustainability-Linked Bonds to which this paragraph (i) applies and for which Step Up Option is specified as applicable in the relevant Final Terms, the applicable Step Up Margin from the Interest Payment Date immediately following the Step Up Date shall be factored into the calculation of the Gross Redemption Yield on the assumption that the applicable Step Up Event will occur, unless the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition as applicable has been achieved for the In the Air Carbon KPI Percentage Reference Year or On the Ground Carbon KPI Percentage Reference Year as relevant prior to the notice of redemption for which an Assurance Report is available (as set out in such Assurance Report), in which case if the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition has been met, no Step Up Margin shall be taken into account.

- (ii) In respect of Floating Rate Bonds, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms) plus any accrued but unpaid interest on the Principal Amount Outstanding.
- (iii) In respect of Indexed Bonds which specify either the (i) UK Retail Prices Index; (ii) UK Consumer Price Index; or (iii) UK Consumer Price Index including owner occupier’s housing costs as the Index in the relevant Final Terms and which are denominated in sterling, the Redemption Amount will (unless otherwise specified in a Drawdown Prospectus) be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest (as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*) (as applicable)) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) the Principal Amount Outstanding and (ii) the price determined to be appropriate (without any additional indexation beyond the implicit indexation in such determined price) by a financial adviser in London (selected by the Issuer and approved by the Bond Trustee) as being the price at which the Gross Real Redemption Yield (as defined below) on the Bonds on the Reference Date (as defined below) is equal to the Gross Real Redemption Yield at 3:00 p.m.

(London time) on the Reference Date on the Reference Gilt or Indexed Benchmark Gilt (as applicable) while that stock is in issue, and thereafter such UK Government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee), determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*) (as applicable) on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(iii), “**Gross Real Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the UK Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002, page 4 or any replacement therefor plus 0.50 per cent. or such other percentage rate over or under such Reference Gilt or Indexed Benchmark Gilt (if any) as specified in the relevant Final Terms or Drawdown Prospectus, provided that, for the purpose of calculating the Gross Real Redemption Yield on Index Linked Bonds in respect of which CPI (or UK Consumer Price Index) or CPIH (or UK Consumer Price Index including owner occupier’s housing costs) is specified as the applicable Index, any references to RPI (or the UK Retail Price Index) therein shall be read and construed as references to, as applicable, CPI or CPIH, if CPI or CPIH is not covered by such publication, and for the purposes of such calculation, the date of redemption of the relevant Indexed Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(iii); and “**Reference Gilt**” shall have the meaning specified in Condition 7.1 (*UK Retail Price Index*) and “**Indexed Benchmark Gilt**” shall have the meaning specified in Condition 7.3 (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs*).

- (iv) In respect of Indexed Bonds which specify HICP as the Index in the relevant Final Terms and are denominated in euro, the Redemption Amount will (unless otherwise specified in a Drawdown Prospectus) be the Principal Amount Outstanding (plus any premium for early redemption (as specified in the relevant Final Terms or Drawdown Prospectus) plus any accrued but unpaid interest up to and including the date of redemption (in each case, as adjusted in accordance with Condition 7.2(a) (*HICP – Application of the Index Ratio*)).
- (v) In respect of Fixed Rate Bonds denominated in euro, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the higher of (i) their Principal Amount Outstanding and (ii) the present value at the Reference Date (as defined below) of (1) their Principal Amount Outstanding plus (2) all required interest payments due on the

Bonds (excluding accrued but unpaid interest to the date on which the Bonds are to be redeemed (the “**Redemption Date**”) but including, in respect of any Sustainability-Linked Bonds to which this paragraph (v) applies and for which Step Up Option is specified as applicable in the relevant Final Terms, the applicable Step Up Margin from the Interest Payment Date immediately following the Step Up Date on the assumption that the applicable Step Up Event will occur, unless the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition as applicable has been achieved for the In the Air Carbon KPI Percentage Reference Year or On the Ground Carbon KPI Percentage Reference Year as relevant prior to the notice of redemption for which an Assurance Report is available (as set out in such Assurance Report), in which case if the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition has been met, no Step Up Margin shall be taken into account), computed using a discount rate equal to the Bund Rate as of the Reference Date plus 0.50 per cent. or such other percentage rate over or under such Bund Rate (if any) as specified in the relevant Final Terms or Drawdown Prospectus and assuming the relevant Fixed Rate Bonds would otherwise have been redeemed on the Scheduled Redemption Date, plus, in either case, accrued but unpaid interest to the Redemption Date.

For the purposes of this Condition 8(d)(v), “**Bund Rate**” means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination; “**Comparable German Bund Issue**” means the German Bundesanleihe security specified in the relevant Final Terms or, if no such security is specified or the specified security is no longer in issue, the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Reference Date to the Scheduled Redemption Date and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then Principal Amount Outstanding of the Bonds and of a maturity most nearly equal to the Scheduled Redemption Date provided, however, that if the period from such Redemption Date to the Scheduled Redemption Date is less than one year, a fixed maturity of one year shall be used; “**Comparable German Bund Price**” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Financial Adviser obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; “**Financial Adviser**” means a financial adviser in Frankfurt (selected by the Issuer and approved by the Bond Trustee); “**Reference Date**” means the date which is three Business Days prior to the dispatch of the notice of redemption under this Condition 8(d)(v); “**Reference German Bund Dealer**” means any dealer of German *Bundesanleihe* securities appointed by the Financial Adviser; and “**Reference German Bund Dealer Quotations**” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by

the Financial Adviser of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference German Bund Dealer at or about 3:30 p.m. (Frankfurt, Germany time) on the Reference Date.

- (vi) In respect of Fixed Rate Bonds denominated in U.S. dollars, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds (i) the Principal Amount Outstanding plus (ii) the accrued but unpaid interest on the Principal Amount Outstanding, plus the greater of (1) one per cent. of the Principal Amount Outstanding and (2) the excess of: (I) the present value as of the Reference Date of the redemption price of the Sub-Class of Bonds at the Scheduled Redemption Date, plus all required interest payments that would otherwise be due to be paid on the Sub-Class of Bonds during the period between such Reference Date and the Scheduled Redemption Date, excluding accrued but unpaid interest but including, in respect of any Sustainability-Linked Bonds to which this paragraph (vi) applies and for which Step Up Option is specified as applicable in the relevant Final Terms, the applicable Step Up Margin from the Interest Payment Date immediately following the Step Up Date on the assumption that the applicable Step Up Event will occur, unless the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition as applicable has been achieved for the In the Air Carbon KPI Percentage Reference Year or On the Ground Carbon KPI Percentage Reference Year as relevant prior to the notice of redemption for which an Assurance Report is available (as set out in such Assurance Report), in which case if the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition has been met, no Step Up Margin shall be taken into account, computed using a discount rate equal to the Treasury Rate (as defined below) at such Reference Date plus 0.50 per cent. or such other percentage rate over or under such Treasury Rate (if any) specified in the relevant Final Terms and assuming the relevant Fixed Rate Bonds would otherwise have been redeemed on the Scheduled Redemption Date, over (II) the Principal Amount Outstanding on such Reference Date.

“**Treasury Rate**” means, with respect to any Reference Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Scheduled Redemption Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during

the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, where:

“**Comparable Treasury Issue**” means the U.S. Treasury security selected by any Reference Treasury Dealer as having a maturity comparable to the remaining term of the Sub-Class of Bonds from the Reference Date to the Scheduled Redemption Date that would be utilised at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the Scheduled Redemption Date;

“**Comparable Treasury Price**” means, with respect to any redemption date, if clause (ii) of the definition of “Treasury Rate” is applicable, the average of all Reference Treasury Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations;

“**Federal Reserve System**” means the central banking system of the United States;

“**Reference Treasury Dealer**” means any primary U.S. government securities dealer appointed by the Issuer; and

“**Reference Treasury Dealer Quotations**” means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and ask prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00p.m. New York City time, on the third Business Day immediately preceding such redemption date.

- (vii) In respect of Fixed Rate Bonds denominated in Canadian dollars, the Redemption Amount will, unless otherwise specified in a Drawdown Prospectus, be an amount equal to (A) if the proposed redemption date falls three months or less prior to the Scheduled Redemption Date for the relevant Bonds, their Principal Amount Outstanding (plus accrued but unpaid interest) and (B) at any other time prior to the Scheduled Redemption Date for the relevant Bonds, the greater of (i) the Principal Amount Outstanding and (ii) the Canada Yield Price, in each case, plus accrued but unpaid interest on the Principal Amount Outstanding (if any).

For the purposes of this Condition 8(d)(vii), “**Canada Yield Price**” means an amount equal to the sum of the present values of all remaining scheduled payments of principal and interest (not including any portion of payment of interest accrued as of the date of redemption but including, in respect of any Sustainability-Linked Bonds to which this paragraph (vii) applies and for which Step Up Option is specified as applicable in the relevant Final Terms, the applicable Step Up Margin from the

Interest Payment Date immediately following the Step Up Date on the assumption that the applicable Step Up Event will occur, unless the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition as applicable has been achieved for the In the Air Carbon KPI Percentage Reference Year or On the Ground Carbon KPI Percentage Reference Year as relevant prior to the notice of redemption for which an Assurance Report is available (as set out in such Assurance Report), in which case if the In the Air Carbon KPI Condition and/or the On the Ground Carbon KPI Condition has been met, no Step Up Margin shall be taken into account) from the redemption date to the respective due dates for such payments until maturity of the Bonds (and, for the purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) computed on a semi-annual basis by discounting such payments (assuming a 365 day year) to the redemption date at the Government of Canada Yield plus such percentage rate over or under such Government of Canada Yield (if any) specified in the relevant Final Terms; **“Government of Canada Yield”** means, with respect to any redemption date, the mid-market yield to maturity on the third business day (**“Determination Date”**) preceding the redemption date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100 per cent. of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of the Bonds (and, for the purposes of such calculation, the date of maturity of the Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date) from such redemption date, such yield to maturity being the average of the yields provided by two Canadian investment dealers selected from time to time by the Issuer at noon (Toronto time) on such Determination Date.

- (viii) In respect of Fixed Rate Bonds denominated in Australian dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (ix) In respect of Fixed Rate Bonds denominated in Norwegian krone, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (x) In respect of Fixed Rate Bonds denominated in Japanese yen, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xi) In respect of Fixed Rate Bonds denominated in Singapore dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the

relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.

- (xii) In respect of Fixed Rate Bonds denominated in Hong Kong dollars, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xiii) In respect of Fixed Rate Bonds denominated in Swedish krona, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.
- (xiv) In respect of Fixed Rate Bonds denominated in Mexican pesos, the Redemption Amount will unless otherwise specified in a Drawdown Prospectus, be the Principal Amount Outstanding (plus any premium for early redemption as specified in the relevant Final Terms) plus any accrued but unpaid interest up to and including the date of redemption.

(xv) In respect of Sustainability-Linked Bonds for which Premium Payment Option is specified as applicable in the relevant Final Terms and a Step Up Event has occurred prior to the proposed redemption date, the Redemption Amount shall be increased by the applicable Premium Payment Amount or, in the case of a partial redemption of the Sustainability-Linked Notes, by the corresponding part of the applicable Premium Payment Amount.

In any such case, prior to giving any such notice, the Issuer must certify (as further specified in the Finance Documents) to the Bond Trustee that it will have the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Bonds as aforesaid.

(e) ***Redemption for Index Event, Taxation or Other Reasons***

Redemption for Index Reasons: Upon the occurrence of any Index Event (as defined below), the Issuer may, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors and the holders of the Indexed Bonds in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Indexed Bonds of all Sub-Classes on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), as applicable) plus accrued but unpaid interest. No single Sub-Class of Indexed Bonds may be redeemed in these circumstances unless all the other Classes and Sub-Classes of Indexed Bonds linked to the same underlying Index are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Bond Trustee, the Issuer Secured Creditors and any Relevant Financial Guarantor(s) a certificate signed

by an authorised signatory (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption.

If the UK Retail Price Index is specified as the index in the relevant Final Terms, “**Index Event**” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7.1(b)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Agent Bank (or Calculation Agent, if applicable) that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing;

If HICP is specified as the Index in the relevant Final Terms, “**Index Event**” means if the Index Level has not been published or announced for two consecutive months or Eurostat announces that it will no longer continue to publish or announce the Index and no Successor Index has been determined under Condition 7.2(b)(ii)(A)(B)(C) or (D) and the Issuer and the Bondholders (in conjunction with the Calculation Agent) have been unable to reach agreement on an appropriate alternative index within a period of 10 Business Days; and

If either the UK Consumer Price Index or UK Consumer Price Index including owner occupier’s housing costs is specified as the index in the relevant Final Terms, “**Index Event**” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7.3(b)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Agent Bank (or Calculation Agent, if applicable) that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Indexed Benchmark Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing.

Redemption for Taxation Reasons: In addition, if at any time the Issuer satisfies the Bond Trustee, (a) that the Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the UK or Jersey or any political subdivision thereof, or any other authority thereof or any change in the application or official interpretation of such laws or regulations (“**Taxes**”); (b) that Heathrow would on the next Interest Payment Date be required to make any withholding or deduction for or on account of any Taxes from payments in respect of a Borrower Loan Agreement; (c) that the Issuer or an Issuer Hedge Counterparty would be required to make any withholding or deduction for or on account of any Taxes from

payments in respect of an Issuer Hedging Agreement; or (d) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Initial Issue Date that it has or will become unlawful for the Issuer to perform any of its obligations under the Borrower Loan Agreements or to fund or to maintain its participation in the Borrower Loans, then the Issuer may, in order to avoid the relevant deductions, withholding or illegality but is not obliged to, (i) use its reasonable endeavours to arrange the substitution of a company incorporated under the laws of another jurisdiction approved by the Bond Trustee as principal debtor under the Bonds and as lender under the Borrower Loan Agreements and as obligor under the Finance Documents upon satisfying the conditions for substitution of the Issuer as set out in Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) or (ii) convert any Bearer Bonds into Registered Bonds in accordance with Condition 2(a) (*Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds*) if such conversion will be effective to avoid the relevant deduction or withholding. If the Issuer is unable to arrange a substitution as described above having used reasonable endeavours to do so and a conversion of Bearer Bonds to Registered Bonds would not prevent any withholding or deduction and, as a result, the relevant deduction or withholding is continuing then the Issuer may, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Bonds of the affected Class or Sub-Class on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Bonds, in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the Index Ratio*), as applicable). Before giving any such notice of redemption, the Issuer shall provide to the Bond Trustee and the Issuer Secured Creditors and each Relevant Financial Guarantor a certificate signed by a director of the Issuer (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to discharge all its liabilities in respect of the Bonds of the affected Class or Sub-Class and any amounts under the Security Agreement to be paid in priority to, or *pari passu* with, such Bonds under the Issuer Payment Priorities.

(f) ***Early Redemption on Prepayment of Borrower Loan Agreements***

If:

- (i) Heathrow gives notice to the Issuer under a Borrower Loan Agreement that it intends to prepay all or part of any advance made under such Borrower Loan Agreement or Heathrow is required to prepay all or part of any advance made under a Borrower Loan Agreement (including (A) following a Designated Airport Disposal after the occurrence of a Trigger Event which is continuing or (B) following the delivery of a Loan Acceleration Notice out of any sums credited to the Debt Collateralisation Account); and

- (ii) in each case, such advance was funded by the Issuer from the proceeds of the issue of a Class or Sub-Class of Bonds.

The Issuer shall, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors, each Relevant Financial Guarantor and the Bondholders in accordance with Condition 17 (*Notices*) (where such advance is being prepaid in whole), redeem all of the Bonds of that Sub-Class or (where part only of such advance is being prepaid) the proportion of the relevant Sub-Class of Bonds which the proposed prepayment amount bears to the amount of the relevant advance.

In the case of a voluntary prepayment, the relevant Bonds will be redeemed at their Redemption Amount determined in accordance with Condition 8(d) (*Optional Redemption*) except that, in the case of Fixed Rate Bonds and Indexed Bonds, for the purposes of this Condition 8(f), "**Reference Date**" means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 8(f), plus accrued but unpaid interest and, in the case of any other prepayment, the relevant Bonds will be redeemed at their Principal Amount Outstanding plus accrued but unpaid interest.

In the case of any prepayment out of the net proceeds of a Designated Airport Disposal following the occurrence of a Trigger Event which is continuing and after the date on which an amount equal to the initial aggregate amount drawn under the Refinancing Facility has been repaid to the Refinancing Facility Providers, (i) Call Protected Floating Rate Bonds of any Sub-Class will be redeemed at an amount (the "**Par Redemption Amount**") equal to their Principal Amount Outstanding or the relevant portion thereof available for redemption, plus accrued but unpaid interest on the Principal Amount Outstanding or the relevant portion thereof available for redemption to (but excluding) the date of redemption and (ii) Fixed Rate Bonds and Indexed Bonds of any Sub-Class will be redeemed at an amount (the "**Modified Redemption Amount**") equal to the lower of (x) the Principal Amount Outstanding of the relevant Bonds or the relevant portion thereof available for redemption and (y) (in the case of Fixed Rate Bonds or Indexed Bonds denominated in sterling) an amount calculated by multiplying the Principal Amount Outstanding of such Bonds or the relevant portion thereof available for redemption by that price (expressed as a percentage) (as reported in writing to the Issuer and the Bond Trustee by a financial adviser nominated by the Issuer and approved by the Bond Trustee) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Bonds on the Reference Date is equal to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in euro) at the Redemption Amount calculated in accordance with Condition 8(d)(v) provided that the reference in such calculation to the Bund Rate shall be construed as a reference to the Redemption Rate or (in the case of Fixed Rate Bonds denominated in a currency other than sterling or euro or Indexed Bonds denominated in a currency other than sterling) the Redemption Amount calculated in accordance with the relevant Final Terms, plus, in any case, accrued but unpaid interest (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier's housing costs – Application of the*

Index Ratio), as applicable) on the Principal Amount Outstanding or the relevant portion thereof available for redemption to (but excluding) the date of redemption.

Notwithstanding the foregoing, no redemption of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds shall be made in respect of any Sub-Class of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds at such Par Redemption Amount or, as the case may be, Modified Redemption Amount unless sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Sub-Class of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds, duly convened and held in accordance with the Bond Trust Deed.

For the purposes of this Condition 8(f), “**Call Protected Floating Rate Bonds**” means any Floating Rate Bonds, the Final Terms in respect of which, at the proposed date of redemption, would oblige the Issuer to pay a premium to par upon the optional early redemption of such Floating Rate Bonds; “**Redemption Rate**” means the sum of the Relevant Swap Mid Curve Rate and 0.50 per cent. per annum or, if the Relevant Swap Mid Curve Rate is not able to be determined, the sum of such rate as may be approved by the Bond Trustee and 0.50 per cent. per annum; “**Gross Redemption Yield**” has the meaning given to it (in the case of Fixed Rate Bonds) in Condition 8(d)(i) or (in the case of Indexed Bonds) in Condition 8(d)(iii); “**Relevant Swap Mid Curve Rate**” means the mid-point of the bid-side and offer-side rates for the fixed leg of a hypothetical interest rate swap with a notional profile equal to the interest profile applicable to the relevant Sub-Class of Bonds to be redeemed to (but excluding) the Scheduled Redemption Date, with the same payment dates as the relevant Bonds, against a floating leg of the Relevant Interest Rate, with no spread, where such hypothetical interest rate swap is between two highly-rated (AA- or equivalent or higher) and fully collateralised market counterparties (the Relevant Swap Mid Curve Rate shall be determined by a financial adviser (nominated by the Issuer and approved by the Bond Trustee) using its standard valuation methodology (as at the date of calculation) as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date; and “**Relevant Interest Rate**” means the rate of interest for deposits in the currency of the relevant Bonds and of a duration equal to the length of the Interest Period (other than the first or last Interest Period, if different) of the relevant Bonds as determined as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date by reference to: Reuters screen LIBOR01 (if the relevant Bonds are denominated in sterling, U.S. dollars or Japanese yen), Reuters screen EURIBOR01 (if the relevant Bonds are denominated in euro), Reuters screen LIBOR02 (if the relevant Bonds are denominated in Swiss francs), Reuters screen BBSW (if the relevant Bonds are denominated in Australian dollars), Reuters screen CDOR (if the relevant Bonds are denominated in Canadian dollars), the Oslo Børs’ webpage (if the relevant Bonds are denominated in Norwegian krone), Reuters screen ABSFIX1 (if the relevant Bonds are denominated in Singapore dollars), Reuters screen HKABHIBOR (if the relevant Bonds are denominated in Hong Kong dollars), Reuters screen SIDE (if the relevant Bonds are denominated in Swedish krona), Reuters screen MEX06 (if the relevant Bonds are denominated in Mexican pesos) or the Reuters screen (or other page or successor thereto) specified in the relevant Final Terms or such other page as may

replace such page or, if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Bond Trustee) as may replace the Reuters screen (or other page) (if the relevant Bonds are denominated in any other currency).

(g) ***Early redemption following Loan Enforcement Notice***

If the Issuer receives (or is to receive) any monies from any Obligor following the service of a Loan Enforcement Notice in repayment of all or any part of a Borrower Loan, the Issuer shall, upon giving not more than 10 nor less than 5 days' notice to the Bond Trustee, the Issuer Secured Creditors, each Relevant Financial Guarantor and the Bondholders in accordance with Condition 17 (*Notices*) apply such monies in accordance with the Issuer Pre-Enforcement Priority of Payments or the Issuer Post-Enforcement Priority of Payments, as applicable, and redeem (to the extent of such monies as are available in accordance with the relevant Issuer Payment Priorities) each Sub-Class of the then outstanding Bonds (corresponding to the advance under the Borrower Loan Agreement which is prepaid in accordance with the provisions of the Borrower Post-Enforcement (Pre-Acceleration) Principal Priority of Payment, if applicable) at their Principal Amount Outstanding plus accrued but unpaid interest on the next Interest Payment Date (or, if sooner, Maturity Date). In the event that there are insufficient monies to redeem all of the Bonds outstanding of a particular Class, the Bonds of such Class shall be redeemed in part in the proportion which the Principal Amount Outstanding of such Class to be redeemed bears to the Principal Amount Outstanding of such Class.

(h) ***Early redemption of Zero Coupon Bonds***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Bond at any time before the Scheduled Redemption 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 Bond 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 Final Terms for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, “**Accrual Yield**” and “**Reference Price**” have the meanings given to them in the relevant Final Terms.

(i) ***Purchase of Bonds***

The Issuer may, provided that no Bond Event of Default has occurred and is continuing, purchase Bonds (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. Any purchase by tender shall be made available to all Bondholders alike.

If not all the Bonds which are in registered form are to be purchased, upon surrender of the existing Individual Bond Certificate, the Registrar shall forthwith upon the written request of the Bondholder concerned issue a new Individual Bond Certificate in respect of the Bonds which are not to be purchased and despatch such Individual Bond Certificate to the Bondholder (at the risk of the Bondholder and to such address as the Bondholder may specify in such request).

While the Bonds are represented by a Global Bond or Global Bond Certificate, the relevant Global Bond or Global Bond Certificate will be endorsed to reflect the Principal Amount Outstanding of Bonds to be so redeemed or purchased.

(j) ***Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Bond which provides for Instalment Dates (as specified in the relevant Final Terms) and Instalment Amounts (as specified in the relevant Final Terms) will be partially redeemed on each Instalment Date at the Instalment Amount.

(k) ***Cancellation***

Any Bearer Bonds or Registered Bonds purchased by or on behalf of the Issuer or by an Obligor using the net proceeds of a Designated Airport Disposal pursuant to paragraph 6(b)(ii) of part 3 of schedule 3 to the Common Terms Agreement, shall be surrendered to or to the order of the Principal Paying Agent or the Registrar, as the case may be, for cancellation and, if so surrendered, will, together with all Bonds redeemed by the Issuer, be cancelled forthwith (together with, in the case of Bearer Bonds, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

9. Payments

(a) ***Bearer Bonds***

Payments to the Bondholders of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Bonds 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 final redemption and provided that the Receipt is presented for payment together with its relative Bond), Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 9(f)

(*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States of America and its possessions by transfer to an account denominated in the currency in which such payment is due with, or (in the case of Bonds in definitive form only) a cheque payable in that currency drawn on, a bank in (i) the principal financial centre of that currency provided that such currency is not euro, or (ii) the principal financial centre of any Participating Member State if that currency is euro.

No payment of principal and/or interest in respect of a Bearer Bond with an original maturity of more than 365 days will be made by a transfer of funds into an account maintained by the payee in the United States or by mailing a cheque to an address in the United States, except as provided in Condition 9(c) (*Payments in the United States of America*).

(b) ***Registered Bonds***

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation and surrender of the relevant Registered Bond at the specified office of the Registrar and in the manner provided in Condition 9(a) (*Bearer Bonds*).

Payments of instalments in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation of the relevant Registered Bond at the specified office of the Registrar in the manner provided in Condition 9(a) (*Bearer Bonds*) above and annotation of such payment on the Register and the relevant Bond Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Bonds payable on any Interest Payment Date will be paid to the holder (or the first named if joint holders) on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payment of interest or Interest Amounts on each Registered Bond will be made in the currency in which such payment is due by cheque drawn on a bank in (a) the principal financial centre of the country of the currency concerned, provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the Bondholder to the specified office of the Registrar before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro.

A record of each payment so made will be endorsed on the schedule to the Global Bond or the Global Bond Certificate by or on behalf of the Principal Paying Agent or the Registrar, as the case may be, which endorsement shall be prima facie evidence that such payment has been made.

(c) ***Payments in the United States of America***

Notwithstanding the foregoing, if any Bearer Bonds 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:

- (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bonds in the manner provided above when due;
- (ii) 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
- (iii) such payment is then permitted by the law of the United States of America, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

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

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 9. No commission or expenses shall be charged to the Bondholders, Couponholders or Receiptholders (if any) in respect of such payments.

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

(e) ***Appointment of the Agents***

The Paying Agents, the Agent Bank, the Transfer Agents, the Exchange Agent and the Registrar (the “**Agents**”) appointed by the Issuer (and their respective specified offices) are listed in the Agency Agreement. Any Calculation Agent will be listed in the relevant Final Terms and will be appointed pursuant to a Calculation Agency Agreement. 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, with the prior written consent of the Bond Trustee 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 (in the case of Bearer Bonds), (ii) a Registrar (in the case of Registered Bonds), (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms) (in the case of Floating Rate Bonds or Indexed Bonds) and (iv) if and for so long as the Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent, Transfer Agent or Registrar in any particular place, a Paying Agent, Transfer Agent and/or Registrar, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system, which, while any Bonds are admitted to the Official List of the UK Listing Authority and/or admitted to trading on

the London Stock Exchange – Regulated Market shall be in London. Notice of any such variation, termination or appointment will be given in accordance with Condition 17 (*Notices*).

(f) ***Unmatured Coupons and Receipts and Unexchanged Talons***

- (i) Subject to the provisions of the relevant Final Terms, upon the due date for redemption of any Bond which is a Bearer Bond (other than a Fixed Rate Bond, unless it has all unmaturing Coupons attached), unmaturing Coupons and Receipts relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the date for redemption of any Bond, any unmaturing Talon relating to such Bond (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Bond which is redeemable in instalments, all Receipts relating to such Bond 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.
- (iv) Where any Bond, which is a Bearer Bond and is a Fixed Rate Bond, is presented for redemption without all unmaturing Coupons and any unexchanged Talon relating to it, a sum equal to the aggregate amount of the missing unmaturing Coupons will be deducted from the amount of principal due for payment and, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Bond is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, or the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Bond and Coupon.

(g) ***Non-Business Days***

Subject as provided in the relevant Final Terms, if any date for payment in respect of any Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means (i) in respect of payments on a Global Bond or a Global Bond Certificate, the cities referred to in the definition of Business Days and (ii) otherwise, a day (other than a Saturday or a Sunday) on which banks are open for presentation and on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency.

(h) ***Talons***

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Bond, 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 (*Prescription*)).

10. Taxation

All payments in respect of the Bonds, Receipts or Coupons will be made (whether by the Issuer, any Paying Agent, the Registrar, the Bond Trustee or, in respect of Wrapped Bonds, the Relevant Financial Guarantor or, in respect of the LHR Guaranteed Bonds, by the Bond Guarantor) 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 or the Registrar or, where applicable, the Bond Trustee or the Relevant Financial Guarantor or the Bond Guarantor is required by applicable law to make any payment in respect of the Bonds, 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, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor, 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. None of the Issuer, any Paying Agent, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor will be obliged to make any additional payments to the Bondholders, Receiptholders or the Couponholders in respect of such withholding or deduction. The Issuer, any Paying Agent, the Registrar, the Bond Trustee, the Relevant Financial Guarantor or the Bond Guarantor may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

If the Issuer is obliged to make any such deduction or withholding, the amount so deducted or withheld is not guaranteed by any Relevant Financial Guarantor.

11. Bond Events of Default

(a) *Bond Event of Default*

Each and any of the following events shall be treated as a “**Bond Event of Default**”:

- (i) Non-payment: default is made by the Issuer in the payment of principal in respect of any Sub-Class or Tranche of the Most Senior Class of Bonds when due in accordance with these Conditions, or default is made by the Issuer for a period of 3 Business Days in the payment of interest on any Sub-Class or Tranche of the Most Senior Class of Bonds when due in accordance with these Conditions;
- (ii) Breach of other obligations: default is made by the Issuer in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under the Bonds or the Issuer Transaction Documents (other than any obligation whose breach would give rise to the Bond Event of Default provided for in this Condition 11(a)) and, except where in the opinion of the Bond Trustee the such default is not capable of remedy, such default continues for a period of 30 Business Days;

- (iii) Insolvency Event: an Insolvency Event occurs in relation to the Issuer; or
- (iv) Unlawfulness: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Documents.

(b) ***Delivery of Bond Enforcement Notice***

If any Bond Event of Default occurs and is continuing and, in the case of the Bond Event of Default described in Condition 11(a)(ii) above, the Bond Trustee has certified in writing that, in its opinion, the happening of such event is materially prejudicial to the interests of the holders of each sub-class of the Most Senior Class of Bonds, the Bond Trustee (i) may, at any time, at its discretion and (ii) shall, upon being so directed in writing by Issuer Qualifying Creditors together holding or representing 25 per cent or more of the Issuer Qualifying Debt, deliver a Bond Enforcement Notice to the Issuer provided that, in either case, it is indemnified and/or secured to its satisfaction.

(c) ***Confirmation of no Bond Event of Default***

The Issuer, pursuant to the terms of the Bond Trust Deed, shall provide written confirmation to the Bond Trustee, on an annual basis, that no Bond Event of Default has occurred.

(d) ***Consequences of the delivery of a Bond Enforcement Notice***

Upon delivery of a Bond Enforcement Notice in accordance with Condition 11(b) (*Delivery of Bond Enforcement Notice*): (i) all Classes of the Bonds then outstanding shall immediately become due and repayable at their respective Principal Amount Outstanding (in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable) plus accrued but unpaid interest (other than in the case of Zero Coupon Bonds) and, in the case of Indexed Bonds, as adjusted in accordance with Condition 7.1(a) (*UK Retail Price Index – Application of the Index Ratio*), Condition 7.2(a) (*HICP - Application of the Index Ratio*) or Condition 7.3(a) (*UK Consumer Price Index and UK Consumer Price Index including owner occupier’s housing costs – Application of the Index Ratio*), as applicable and (ii) the Issuer Security shall become enforceable by the Bond Trustee in accordance with the Issuer Deed of Charge provided that the OFCA Floating Security shall only become enforceable in accordance with the Obligor Floating Charge Agreement.

(e) ***“Issuer Qualifying Creditors”*** means, in respect of Issuer Qualifying Debt:

- (i) for so long as any Class A Bonds remain outstanding, the holders of the Class A Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class A Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class A Wrapped Bonds in relation to which an FG Event of Default is continuing) the holders of such Tranche or Sub-Class of Class A Wrapped Bonds and

each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class A Bonds;

- (ii) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the holders of the Class B Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class B Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class B Wrapped Bonds in relation to which an FG Event of Default is continuing) the holders of such Tranche or Sub-Class of Class B Wrapped Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class B Bonds;
- (iii) if there are no Class A Bonds or Class B Bonds then outstanding, the holders of the Subordinated Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Subordinated Bonds.

(f) ***“Issuer Qualifying Debt”*** means:

- (i) for so long as any Class A Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class A Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class A Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions;
- (ii) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class B Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class B Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions; or
- (iii) if there are no Class A Bonds or Class B Bonds then outstanding, the sum of (i) the Principal Amount Outstanding of the Subordinated Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Subordinated Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions.

12. Enforcement Against Issuer

No Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditor is entitled to take any action against the Issuer or, in the case of the holders of Wrapped Bonds, against the Relevant Financial Guarantor, or against any assets of the Issuer or any Relevant Financial Guarantor to enforce its rights in respect of the Bonds or to enforce any of the Issuer Security or to enforce any Financial Guarantee unless the Bond Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. The Bond Trustee shall,

subject to being indemnified and/or secured to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing, upon being so directed in writing by Issuer Qualifying Creditors together holding or representing 25 per cent or more of the Issuer Qualifying Debt, enforce the Issuer Security in accordance with the Issuer Deed of Charge.

Neither the Bond Trustee, the Bondholders, the Receiptholders, the Couponholders or the other Issuer Secured Creditors may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a Receiver pursuant to the terms of the Issuer Deed of Charge) or other proceeding under any similar law for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.

13. Prescription

Claims against the Issuer for payment in respect of the Bonds, 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 Bond Relevant Date (as defined in Condition 6(j) (*Definitions*)) in respect thereof.

14. Replacement of Bonds, Coupons, Receipts and Talons

If any Bearer Bond, Registered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of the Stock Exchange, at the specified office of the Principal Paying Agent or, as the case may be, the Registrar 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 Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14A. Available Information

This Condition 14A only applies to Sustainability-Linked Bonds.

In respect of each financial year of the Group, beginning with the financial year in which the Issue Date of the first Tranche of the Sustainability-Linked Bonds falls, the Issuer will publish on its website (which is, as at the date of this Prospectus: <https://www.heathrow.com/company/investor-centre/offering-related-documents>) and in accordance with applicable laws:

- (i) the 2019 In the Air Carbon Baseline, the 2019 On the Ground Carbon Baseline, the In the Air Carbon KPI, the On the Ground Carbon KPI, the In the Air Carbon KPI Percentage, and the On the Ground Carbon KPI Percentage for the relevant financial year, prepared pursuant to applicable legislation (such information, whether contained in the Issuer's annual report and accounts, or in any other standalone document, the “**Sustainability Report**”);
- (ii) an assurance report (which may be a limited assurance report in accordance with the International Standard for Assurance Engagements 3000 (“**ISAE 3000**”) and/or

Assurance Engagements on Greenhouse Gas Statements (“**ISAE 3410**”), as applicable, issued by the International Auditing and Assurance Standards Board (“**IAASB**”) and/or such other standards as the relevant Assurance Provider shall deem appropriate) issued by the relevant Assurance Provider (the “**Assurance Report**”) in respect of the In the Air Carbon KPI and the On the Ground Carbon KPI provided in the Sustainability Report;

- (iii) if applicable, an assurance report (which may be a limited assurance report in accordance with ISAE 3410 issued by the IAASB and/or such other standards as the relevant Assurance Provider shall deem appropriate) issued by the relevant Assurance Provider confirming the Issuer’s recalculation of (x) the 2019 In the Air Carbon Baseline (the “**2019 In the Air Baseline Assurance Report**”) and/or (y) the 2019 On the Ground Carbon Baseline (the “**2019 On the Ground Carbon Baseline Assurance Report**”).

The Assurance Report, the Sustainability Report, (if applicable) the 2019 In the Air Carbon Baseline Assurance Report and (if applicable) the 2019 On the Ground Carbon Baseline Assurance Report relating to any financial year of the Group will be published no later than the date falling 180 days after the last day of the relevant financial year.

15. Meetings of Bondholders, Modification, Waiver and Substitution

(a) Meetings of Bondholders, Modifications and Waiver

The Bond Trust Deed contains provisions for convening meetings of Bondholders of a Sub-Class, Class or Classes to consider matters affecting their interests, including the modification of these Conditions, the Bond Trust Deed and (in the case of Wrapped Bonds) the Financial Guarantees relating to such Wrapped Bonds and any other Issuer Transaction Document to which the Bond Trustee is a party or in relation to which it holds security. Subject to Condition 15(d), any modification may (except in relation to any Ordinary Voting Matter or Extraordinary Voting Matter or matter giving rise to an Entrenched Right (as described in further detail in Condition 15(b) below), SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice and subject to the provisions concerning ratification and/or meetings of particular combinations of Sub-Classes of Bonds as set out in Condition 15(c) and the Bond Trust Deed), be made if sanctioned by a resolution passed at a meeting of the Bondholders of the relevant Sub-Class, Class or Classes duly convened and held in accordance with the Bond Trust Deed by a majority of not less than three quarters of the votes cast (an “**Extraordinary Resolution**”) of such Bondholders. Such a meeting may be convened by the Bond Trustee or the Issuer, or by the Issuer (failing which the Bond Trustee) upon the request in writing of the Bondholders holding not less than one tenth of the aggregate Principal Amount Outstanding of the relevant outstanding Bonds.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders, whatever the Principal Amount Outstanding of the relevant outstanding Bonds held or represented,

provided however, that certain proposals (the “**Basic Terms Modifications**”) in respect of the holders of any particular Sub-Class of Bonds being any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of such Sub-Class of Bonds, to reduce the amount of principal or the rate of interest payable on any date in respect of such Sub-Class of Bonds or (other than as specified in Conditions 7 and 8) to alter the method of calculating the amount of any payment in respect of such Sub-Class of Bonds on redemption or maturity;
- (ii) other than pursuant to Condition 15(d), to effect the exchange, conversion or substitution of such Sub-Class of Bonds for, or their conversion into shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (iii) to change the currency in which amounts due in respect of such Sub-Class of Bonds are payable other than pursuant to redenomination into euro pursuant to Condition 19;
- (iv) having the effect of adversely changing the Issuer Payments Priorities or application thereof in respect of such Sub-Class of Bonds provided that alterations to introduce the Subordinated Bonds will not be deemed to affect any Sub-Class of Class A Bonds or Class B Bonds where “**adversely**” means, in respect of any change to the Issuer Payments Priorities, a change which has the effect of changing the priority of the Issuer Secured Creditors relative to each other provided that the creation of payments which rank subordinate to an Issuer Secured Creditor shall not be an adverse change in respect of an Issuer Secured Creditor;
- (v) in relation to any Sub-Class of Wrapped Bonds, to approve the release of the Relevant Financial Guarantee or the substitution of the Relevant Financial Guarantor;
- (vi) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (vii) to amend this definition or this Condition,

may be sanctioned only by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Sub-Class or Sub-Classes of Bonds at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate Principal Amount Outstanding of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the relevant Bondholders, Receipholders and Couponholders whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of Bondholder meetings under the Bond Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

A meeting of such Bondholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Bond Trustee in connection with the exercise by

the Bond Trustee of any of its rights, powers and discretions under the Issuer Transaction Documents including, to appoint any persons (whether Bondholders or not) as a committee to represent the interests of such Bondholders and to confer upon such committee any powers which such Bondholders could themselves exercise by Extraordinary Resolution and, where requested by the Bond Trustee, in relation to voting or providing directions under or in connection with the STID.

(b) ***Relationship with Borrower Secured Creditors***

STID Proposals: The STID provides that in respect of, among other things, Ordinary Voting Matters and Extraordinary Voting Matters, SSA Instruction Notices, Emergency SSA Instruction Notices, Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notices and Further Enforcement Instruction Notices (each as defined in the STID) the Most Senior Class of holders of Unwrapped Bonds shall be entitled to instruct the Bond Trustee to vote and (other than following an FG Event of Default in relation to the Relevant Financial Guarantor), each Relevant Financial Guarantor will vote in respect of each Class or Sub-Class of Wrapped Bonds in respect of which it has provided a Financial Guarantee instead of the Issuer.

In respect of any Unwrapped Bonds (or following the occurrence of an FG Event of Default, the relevant Wrapped Bonds), any Bondholder who is a Bondholder of the Most Senior Class of Unwrapped Bonds (or following the occurrence of an FG Event of Default, the relevant Wrapped Bonds) will vote solely by instructing the Bond Trustee to vote on its behalf as its Secured Creditor Representative (as defined in the STID) in connection with the STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notice or Further Enforcement Instruction Notice. Voting in connection with such STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notices, Direction Notices, Enforcement Instruction Notice or Further Enforcement Instruction Notice shall be determined on a pound-for-pound basis by reference to the Outstanding Principal Amount owed to each of the relevant Participating QBS Creditors, so that all votes in favour of the proposal and against the proposal from the Participating QBS Creditors, each Relevant Financial Guarantor and the other Participating QBS Creditors who are not Bondholders or Relevant Financial Guarantors are considered on an aggregated basis, irrespective of whether a majority of such holders of Unwrapped Bonds and Relevant Financial Guarantors are in favour of or against the proposal.

For the purpose of voting in connection with a STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, the Security Group Agent (in the case of a STID Proposal) or, as the case may be, the Borrower Security Trustee shall send a copy of such proposal or request for instructions to the Secured Creditor Representatives of the Issuer. The Bond Trustee shall promptly forward a copy of such notice to the Qualifying Bondholders in accordance with Condition 17 (*Notices*) requesting them to instruct the Bond Trustee how to vote. After obtaining the instruction of the Qualifying Bondholders, the Bond

Trustee will vote in relation to the relevant STID Voting Request in accordance with such instructions.

Irrespective of the result of voting in relation to a proposed STID Proposal in respect of an Ordinary Voting Matter or an Extraordinary Voting Matter or in relation to an SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, any such STID Proposal or decision in respect of an SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice approved in accordance with the provisions of the STID shall be binding on all of the Bondholders, Receipholders and Couponholders.

If a STID Proposal gives rise to an Entrenched Right whereby the Issuer is an Affected Borrower Secured Creditor, the Bond Trustee shall forthwith, in accordance with the Bond Trust Deed, convene a meeting of (i) the holders of each Class, Sub-Class or Tranche of Unwrapped Bonds, (ii) if an FG Event of Default is continuing in respect of a Financial Guarantor the holders of the relevant Class, Sub-Class or Tranche of Wrapped Bonds, and (iii) in respect of an Entrenched Right which constitutes a Basic Terms Modification, the holders of each Class, Sub-Class or Tranche of Wrapped Bonds then outstanding and affected by such Entrenched Right.

No STID Proposal that gives rise to an Entrenched Right whereby the Issuer is an Affected Borrower Secured Creditor can be approved, in accordance with the terms of the STID, unless it has previously been approved by an Extraordinary Resolution of the holders of the relevant Classes, Sub-Classes or Tranches of Bonds, or relevant Financial Guarantor, if applicable, affected by the Entrenched Right.

(c) ***Relationship between Classes***

In relation to each Sub-Class of Bonds:

- (i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Sub-Class of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds (to the extent that there are Bonds outstanding in each such other Sub-Class); and
- (ii) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Sub-Class of Bonds shall be effective unless it is sanctioned by (i) an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class (to the extent that there are Bonds outstanding ranking equally or senior to such Sub-Class) unless the Bond Trustee considers that the interests of the holders of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class would not be materially prejudiced by the implementation of such Extraordinary Resolution, and for the avoidance of doubt as regards ranking, Class B Bonds are subordinate to the Class A Bonds or (ii), in respect of any Sub-Class of Wrapped Bonds in respect of which no FG Event of Default is continuing in respect of the Relevant Financial Guarantor, the Relevant Financial Guarantor;

(iii) Conditions 15(a) and (b) in respect of meetings are subject to the further provisions of the Bond Trust Deed.

(d) ***Modification, waiver and substitution***

As more fully set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditor, concur with the Issuer or any other relevant parties in making (i) any modification to the Conditions or the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if in the opinion of the Bond Trustee such modification is made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (ii) any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if the Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders of the Most Senior Class of Bonds then outstanding provided that to the extent such modification under (ii) above relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

As more fully set out in the Issuer Deed of Charge (and subject to the conditions and qualifications therein), if the Issuer proposes to issue Subordinated Bonds, the Bond Trustee may, provided that it has received a Ratings Confirmation in relation to the then ratings of the outstanding Bonds, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or any other Issuer Secured Creditor other than any Relevant Issuer Secured Creditor at any time and from time to time concur with the Issuer and any other relevant parties in making any modifications proposed by the Issuer (other than in respect of a Basic Terms Modification or an Entrenched Right) to (i) the Issuer Payment Priorities set out in the Issuer Deed of Charge and the Issuer Cash Management Agreement and (ii) to the Master Definitions Agreement to give effect to any amendments to or to incorporate any additional defined terms relating to the Subordinated Bonds provided that each of the Relevant Issuer Secured Creditors (if any) has given its prior written consent to such modifications.

The Bond Trustee is authorised to execute and deliver on behalf of each Issuer Secured Creditor other than the Relevant Issuer Secured Creditors all documentation required to implement such modification and such execution by the Bond Trustee shall bind each of the Bondholders, the Receiptholders, the Couponholders and such Issuer Secured Creditors as if (in the case of such Issuer Secured Creditors) such documentation had been duly executed by it.

As more fully set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or (subject as provided below) any other

Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Bond Event of Default, from time to time, and at any time but only if and in so far as in its opinion the interests of the Bondholders of the Most Senior Class of Bonds then outstanding shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document (other than a Common Document) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute a Bond Event of Default shall not be treated as such for the purposes of the Bond Trust Deed provided that to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched right, each of the affected Issuer Secured Creditors has given its prior written consent and provided further that the Bond Trustee shall not exercise such powers in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Bonds then outstanding or of a request in writing made by holders of not less than 25 per cent. in aggregate of the principal amount of the Most Senior Class of Bonds then outstanding, but no such direction or request shall affect any waiver or authorisation previously given or made or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification.

Any such modification, waiver or authorisation shall be binding on the Bondholders of that Sub-Class, Class or Classes and the holders of all relevant Receipts and Coupons and the other Issuer Secured Creditors and, unless the Bond Trustee agrees otherwise, notice thereof shall be given by the Issuer to the Bondholders of that Sub-Class, Class or Classes as soon as practicable thereafter.

Notwithstanding that none of the Bond Trustee, the Bondholders or the other Issuer Secured Creditors may have any right of recourse against the Rating Agencies in respect of any Ratings Confirmation given by them and relied upon by the Bond Trustee, the Bond Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Bonds or any Issuer Transaction Document, that such exercise will not be materially prejudicial to the interests of the Bondholders if the Rating Agencies have provided a Ratings Confirmation. Without prejudice to the foregoing, the Bondholders are deemed to agree for the benefit of the Rating Agencies only that a credit rating is, however, an assessment of credit and does not address other matters that may be of relevance to Bondholders. The Bond Trustee and the Bondholders agree and acknowledge that being entitled to rely on the fact that the Rating Agencies have delivered a Ratings Confirmation does not impose or extend any actual or contingent liability for the Rating Agencies to the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person or create any legal relations between the Rating Agencies and the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person whether by way of contract or otherwise.

As more fully set forth in the Bond Trust Deed (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders of any Sub-Class or any other Issuer Secured Creditor, also agree with the Issuer, subject, for as long as there are any Wrapped Bonds outstanding, to the prior written consent of each Relevant Financial Guarantor (in respect of which no FG Event of

Default is continuing), to the substitution of another corporation in place of the Issuer as principal debtor in respect of the Bond Trust Deed and the Bonds of all Series and subject to the Class A Wrapped Bonds continuing to carry the unconditional guarantee of the Relevant Financial Guarantor.

16. Bond Trustee Protections

(a) *Trustee considerations*

Subject to Condition 16(b) (*Exercise of rights by Bond Trustee*), in connection with the exercise, under these Conditions, the Bond Trust Deed, any Financial Guarantee, any LHR Bond Guarantee or Issuer Transaction Document, of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Bond Trustee shall have regard to the interests of the holders of the Most Senior Class of Bonds then outstanding provided that, if, in the Bond Trustee's opinion, there is a conflict of interest between the holders of two or more Tranches or Sub-Classes of Bonds of the same Class (or, if there are no Class A or Class B Bonds outstanding, the Subordinated Bonds), it shall have regard to the interests of the holders of the Tranche or Sub-Class of such Class (or the Subordinated Bonds, as the case may be) then outstanding with the greatest Principal Amount Outstanding and will not have regard to the consequences of such exercise for the holders of other Tranches or Sub-Classes of Bonds or for individual Bondholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Bond Trustee shall not be entitled to require from the Issuer or any Relevant Financial Guarantor, nor shall any Bondholders be entitled to claim from the Issuer, any Relevant Financial Guarantor or the Bond Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Bondholders of any such exercise.

(b) *Exercise of rights by Bond Trustee*

Except as otherwise provided in these Conditions, the STID and the Bond Trust Deed, when exercising any rights, powers, trusts, authorities and discretions relating to or contained in these Conditions or the Bond Trust Deed or any other Issuer Transaction Document (other than in determining or in respect of any Ordinary Voting Matter or Extraordinary Voting Matter relating to the Bonds, in respect of which the relevant Financial Guarantor shall be required to vote in accordance with the STID, or any Basic Terms Modification, which shall require the vote of the relevant Bondholders), which affect or relate to any Class A Wrapped Bonds and/or Class B Wrapped Bonds, the Bond Trustee shall only act on the instructions of the Relevant Financial Guarantor(s) (provided no FG Event of Default has occurred and is continuing) in accordance with the provisions of the Bond Trust Deed and the Bond Trustee shall not be required to have regard to the interests of the Bondholders in relation to the exercise of such rights, powers, trusts, authorities and discretions and shall have no liability to any Bondholders as a consequence of so acting. As a consequence of being required to act only on the instructions of the Relevant Financial Guarantor(s) in the circumstances referred to in the previous sentence, the Bond Trustee may not, notwithstanding the provisions of these Conditions, be entitled to act on behalf of the holders of any Sub-Classes of Bonds.

Subject as provided in these Conditions and the Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, the Bond Trust Deed, the Conditions, any Financial Guarantee and any Issuer Transaction Documents in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has (i) (a) been so requested in writing by the holders of at least 25 per cent. in nominal amount of the relevant Sub-Classes of Bonds outstanding or (b) been so directed by an Extraordinary Resolution and (ii) been indemnified and/or furnished with security to its satisfaction.

17. Notices

Notices to holders of Registered Bonds will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Bondholders will be valid if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the Stock Exchange. Any such notice (other than to holders of Registered Bonds 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 holders of Bearer Bonds in accordance with this Condition 17.

So long as any Bonds are represented by Global Bonds or Global Bond Certificates, notices in respect of those Bonds may be given only by delivery of the relevant notice to Euroclear Bank S.A./N.V. as operator of the Euroclear System or Clearstream Banking, société anonyme, DTC or any other relevant clearing system as specified in the relevant Final Terms for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in London. Such notices shall be deemed to have been received by the Bondholders on the day of delivery to such clearing systems.

The Bond Trustee will provide each Rating Agency, at its request, from time to time and provided that the Bond Trustee will not contravene any law or regulation in so doing, with all notices, written information and reports that the Bond Trustee makes available to the Bondholders of any Class or Sub-Class except to the extent that such notices, information or reports, contain information confidential to third parties.

18. Indemnification Of The Bond Trustee

(a) *Indemnification of the Bond Trustee*

The Bond Trust Deed contains provisions for indemnification of the Bond Trustee, and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer, any Relevant Financial Guarantor and/or any other person unless indemnified and/or secured to its satisfaction. The Bond Trustee or any of its affiliates (as defined in Condition 7 (*Indexation*)) are entitled to enter into business transactions with the Issuer, any Relevant Financial Guarantor, the other Issuer Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit

resulting therefrom. Save as otherwise provided in these Conditions or any Issuer Transaction Document the Bond Trustee will only be required to take any action under or in relation to, or to enforce or protect the Issuer Security, or a document referred to therein, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of then outstanding Bonds or if so requested in writing by holders of at least 25 per cent. in nominal amount of the holders of the Most Senior Class of then outstanding Bonds (or in respect of the Wrapped Bonds, the relevant Financial Guarantor) and in all cases if indemnified and/or secured to its satisfaction provided that the Bond Trustee has agreed that it is indemnified to its satisfaction in respect of the OFCA Floating Security as described in the Obligor Floating Charge Agreement.

(b) *Directions, Duties and Liabilities*

The Bond Trustee, in the absence of its own wilful misconduct, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the holders of the Most Senior Class of Unwrapped Bonds and in respect of the Wrapped Bonds, each relevant Financial Guarantor (and following the occurrence of an FG Event of Default which is continuing or, in respect of any direction relating to a Basic Terms Modification, the holders of the most Senior Class of Wrapped Bond, then outstanding) shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non-exercise of any consent, waiver, power, trust, authority or discretion vested in the Bond Trustee pursuant to the Issuer Deed of Charge or any ancillary document.

19. European Economic and Monetary Union

(a) *Notice of redenomination*

The Issuer may, without the consent of the Bondholders, and on giving at least 30 days' prior notice to the Bondholders, the Relevant Financial Guarantors, the Bond Trustee and the Principal Paying Agent, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Bonds falling on or after the date on which the UK becomes a Participating Member State.

(b) *Redenomination*

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Bonds of each Sub-Class denominated in sterling (the "**Sterling Bonds**") shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Bond equal to the principal amount of that Bond in sterling, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended, (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Issuer determines, with the agreement of the Bond Trustee, that the then current market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall

promptly notify the Bondholders, the London Stock Exchange and any stock exchange (if any) on which the Bonds are then listed and the Principal Paying Agent of such deemed amendments;

- (ii) if Bonds have been issued in definitive form:
 - (A) all Bonds denominated in sterling will become void with effect from the date (the “**Euro Exchange Date**”) on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Bondholders and the Bond Trustee that replacement Bonds denominated in euro are available for exchange (provided that such Bonds are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Bonds denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Bonds in accordance with this Condition 19) shall remain in full force and effect; and
 - (C) new Bonds denominated in euro will be issued in exchange for Sterling Bonds in such manner as the Principal Paying Agent or the Registrar, as the case may be, may specify and as shall be notified to the Bondholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Sterling Bonds (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Participating Member State; and
- (iv) a Bond may only be presented for payment on a day which is a business day in the place of presentation.

(c) **Interest**

Following redenomination of the Bonds pursuant to this Condition 19:

- (i) where Sterling Bonds have been issued in definitive form, the amount of interest due in respect of the Sterling Bonds will be calculated by reference to the aggregate principal amount of the Sterling Bonds presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01; and
- (ii) the amount of interest payable in respect of each Sub-Class of Sterling Bonds for any Interest Period shall be calculated by applying the Interest Rate applicable to the Sub-Class of Bonds denominated in euro ranking *pari passu* to the relevant Sub-Class.

20. Subordinated Bonds

The Issuer shall be at liberty, without the consent of the Bondholders, the Couponholders or the Receiptholders or any other Issuer Secured Creditor, but subject

always to the provisions of these Conditions, the Issuer Deed of Charge and the Bond Trust Deed, to raise funds, from time to time, on any date through the creation and issue of subordinated bonds which rank subordinate to the Class A Bonds and the Class B Bonds provided that:

- (a) the aggregate principal amount of Subordinated Bonds to be issued on such date is not less than £5,000,000 (or the Equivalent Amount);
- (b) Ratings Confirmation is obtained in relation to the then ratings of the Class A Bonds and the Class B Bonds;
- (c) the Subordinated Bonds shall not rank, in point of payment or security, ahead of the Subordinated Step-Up Fee Amounts, the Issuer Subordinated Hedge Amounts or the Liquidity Subordinated Amount;
- (d) the Bond Trustee has received a legal opinion in form and substance satisfactory to it in relation to the enforceability and the ranking of the obligations of the Issuer under the Subordinated Bonds from a reputable London law firm; and
- (e) no Bond Event of Default is outstanding or would occur as a result of such issue.

21. Limited Recourse

Each of the Bondholders agrees with the Issuer that notwithstanding any other provision of the Issuer Transaction Documents, all obligations of the Issuer to the Bondholders, including its obligations under the Bonds and the Issuer Transaction Documents, are limited in recourse as set out below:

- (a) it will have a claim only in respect of the Issuer Charged Property;
- (b) the aggregate amount of all sums due and payable to the Bondholders in respect of the Issuer's obligations to such Bondholders shall reduce by the amount by which the aggregate amount of sums due and payable to the Bondholders exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable by the Issuer in accordance with the Issuer Payment Priorities in priority to or *pari passu* with sums payable to such Bondholders), whether pursuant to enforcement of the Issuer Security or otherwise; and
- (c) upon the Bond Trustee giving written notice to the Bondholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents and the Bonds, the Bondholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

22. Miscellaneous

- (a) ***Governing Law***

The Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons (if any), each Financial Guarantee (if any) and the other Issuer Transaction Documents are, and all matters arising from or in connection with such documents shall be governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons, each Financial Guarantee (if any) and the other Issuer Transaction Documents and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Coupons, the Receipts, the Talons (if any) the relevant Financial Guarantee (if any) and/or the Finance Documents may be brought in such courts. The Issuer has in each of the Finance Documents to which it is a party irrevocably submitted to the jurisdiction of such courts.

(c) *Third Party Rights*

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

(d) *Rights Against Issuer*

Under the Bond Trust Deed, persons shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to interests in the Bonds will (subject to the terms of the Bond Trust Deed) acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Bond or Global Bond Certificate became void, they had been the registered Holders of Bonds in an aggregate principal amount equal to the principal amount of Bonds they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

(e) *Clearing System Accountholders*

References in the Conditions of the Bonds to “**Bondholder**” are references to the bearer of the relevant Global Bond or the person shown in the records of the relevant clearing system as the holder of the Global Bond Certificate.

Each of the persons shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, as being entitled to an interest in a Global Bond or a Global Bond Certificate (each an “**Accountholder**”) must look solely to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or, in the case of Wrapped Bonds, each Relevant Financial Guarantor, to such Accountholder and in relation to all other rights arising under the Global Bond or Global Bond Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under

a Global Bond or Global Bond Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system (as the case may be) from time to time. For so long as the relevant Bonds are represented by a Global Bond or Global Bond Certificate, Accountholders shall have no claim directly against the Issuer or, in the case of Wrapped Bonds, the Relevant Financial Guarantor in respect of payments due under the Bonds and such obligations of the Issuer and, in the case of Wrapped Bonds, the Relevant Financial Guarantor will be discharged by payment to the bearer of the Global Bond or the registered holder of the Global Bond Certificate, as the case may be.

SCHEDULE 5

Part 1

Form of Regulation S Global Bond Certificate

THE BOND REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER THEREOF HAS NOT AND DOES NOT INTEND TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THIS BOND (AND ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND IN COMPLIANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) BY ACCEPTING DELIVERY HEREOF (OR OF AN INTEREST HEREIN) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO THE ISSUER; (2) IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT), ONLY TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “**QP**”) WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A “**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; OR (3) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS BOND PURSUANT TO THE BOND TRUST DEED.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) IS ALSO DEEMED TO REPRESENT AND AGREE

THAT IT IS NEITHER A U.S. PERSON NOR A U.S. RESIDENT AND ACKNOWLEDGES THAT AN INTEREST IN A REGULATION S BOND MAY NOT BE HELD BY A U.S. PERSON OR A U.S. RESIDENT AT ANY TIME.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THE BENEFICIAL OWNER OR HOLDER OF THE BONDS WHO IS A RESIDENT OF KOREA OR A KOREAN NATIONAL OR ANY SUBSEQUENT TRANSFEREE MAY NOT TRANSFER THE NEW SECURITIES WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF THE BONDS UNLESS SUCH BONDS HELD BY THE BENEFICIAL OWNER OR THE SUBSEQUENT TRANSFEREE ARE TRANSFERRED IN ONE LOT TO A SINGLE PERSON.]²⁵

ISIN:

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

LHR AIRPORTS LIMITED

*(incorporated in England and Wales with limited liability)*²⁶

[guaranteed by

[name of Financial Guarantor]

*(incorporated with [limited liability] in [jurisdiction])*²⁷

²⁵ Include on Bonds issued on the Initial Issue Date that are to be exchanged for bonds originally issued by LHR Airports Limited.

²⁶ Delete for Bonds other than BAA Guaranteed Bonds.

REGULATION S GLOBAL BOND CERTIFICATE

1. INTRODUCTION

This Regulation S Global Bond Certificate is issued in respect of the [currency] [amount] [Fixed Rate]/[Floating Rate]/[Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”). The Bonds are constituted by, are subject to, and have the benefit of, a trust deed (as amended or supplemented from time to time, the “**Bond Trust Deed**”) dated 18 August 2008 as supplemented by a first supplemental bond trust deed dated 13 January 2012, a second supplemental bond trust deed dated 18 October 2013, a third supplemental bond trust deed dated 15 December 2014, a fourth supplemental bond trust deed dated 22 January 2016, a fifth supplemental bond trust deed dated [•] 2017 [and a [•] supplemental bond trust deed dated [•]], between, *inter alios*, the Issuer and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) and the terms and conditions (the “**Conditions**”) endorsed thereon and are the subject of an agency agreement dated 18 August 2008 (as amended and supplemented from time to time, the “**Agency Agreement**”) and made between, *inter alios*, the Issuer, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”), Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”) and the other paying agents and the transfer agents named therein and the Bond Trustee.

[The Bonds are unconditionally and irrevocably guaranteed by LHR Airports Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee (as supplemented, amended or replaced from time to time, the “**BAA Bond Guarantee**”) dated [•] 2008 between the Bond Guarantor and the Bond Trustee.]²⁸

[The Bonds are unconditionally and irrevocably guaranteed as to timely payments or interest and principal pursuant to a financial guarantee (and the endorsement thereto) (the “**Financial Guarantee**”) to be issued by [•].]²⁹

2. INTERPRETATION

Any reference herein to the “**Conditions**” is to the terms and conditions of the Bonds attached hereto and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof.

In this Regulation S Global Bond Certificate, unless otherwise defined herein or the context requires otherwise, words and expressions have the meanings and constructions ascribed to them in the Conditions.

3. REGISTERED HOLDER

This is to certify that:

[common depositary (or nominee)] (the “**Common Depositary**”)

²⁷ Delete for Bonds other than Wrapped Bonds.

²⁸ Delete for Bonds other than BAA Guaranteed Bonds.

²⁹ Delete for Unwrapped Bonds.

is the person registered in the Register maintained by the Registrar in relation to the Bonds as the duly registered holder (the “**Holder**”) of the Bonds represented from time to time by this Regulation S Global Bond Certificate.

4. **PROMISE TO PAY**

The Issuer for value received promises, all in accordance with the Conditions and the Bond Trust Deed (as defined above) to pay to the Holder, on the Maturity Date specified in the Conditions or on such earlier date as any such Bond may become due and payable in accordance with the Conditions, such principal amount as is noted in the records of the Common Depositary as being the principal amount of this Regulation S Global Note Certificate for the time being (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal [or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become so due and payable]³⁰ and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

5. **TRANSFERS IN WHOLE**

Transfers of this Regulation S Global Bond Certificate shall be limited to transfers in whole, but not in part, to nominees of Euroclear Bank S.A./N.V. as operator of the Euroclear System, (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or to a successor of Euroclear and Clearstream, Luxembourg or to such successors' respective nominee.

6. **EXCHANGE FOR REGULATION S INDIVIDUAL BOND CERTIFICATES**

This Regulation S Global Bond Certificate will be exchanged in whole but not in part only for duly authenticated and completed individual certificates (“**Regulation S Individual Bond Certificates**”) in substantially the form (subject to completion) set out in Part 4 (*Form of Regulation S Individual Bond Certificate*) of Schedule 5 to the Bond Trust Deed if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (ii) any Bond Event of Default as set out in Condition 11 (*Bond Events of Default*) (each, an “**Exchange Event**”).

Such exchange shall be effected in accordance with paragraph 7 (*Delivery of Rule 144A Individual Bond Certificates*). The Issuer shall notify the Holder of the occurrence of any such event as soon as practicable thereafter.

7. **DELIVERY OF REGULATION S INDIVIDUAL BOND CERTIFICATES**

Whenever this Regulation S Global Bond Certificate is to be exchanged for Regulation S Individual Bond Certificates, such Regulation S Individual Bond Certificates shall be issued in an aggregate principal amount equal to the Principal Amount Outstanding of this Regulation S Global Bond Certificate within five business days of the delivery, by or on

³⁰ Insert only for Instalment Bonds.

behalf of the Holder, Euroclear and/or Clearstream, Luxembourg to the Registrar of such information as is required to complete and deliver such Regulation S Individual Bond Certificates (including, without limitation, the names and addresses of the persons in whose names the Regulation S Individual Bond Certificates are to be registered and the principal amount of each such person's holding) against the surrender of this Regulation S Global Bond Certificate at the specified office of the Registrar.

Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its specified office.

8. **TRANSFER AND EXCHANGE FOR AN INTEREST IN THE RULE 144A GLOBAL BOND CERTIFICATE**

If a holder of a beneficial interest in the Bonds represented by this Regulation S Global Bond Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in any Rule 144A global bond certificate issued in relation to the Bonds (the "**Rule 144A DTC Global Bond Certificate**" or "**Rule 144A EC Global Bond Certificate**", as applicable), and only if such corresponding Rule 144A DTC Global Bond Certificate or Rule 144A EC Global Bond Certificate, as the case may be, has been issued by the Issuer as specified in the relevant Final Terms of any Series of Bonds, such holder may transfer such beneficial interest in accordance with the rules and operating procedures of The Depository Trust Company ("**DTC**"), Euroclear and Clearstream, Luxembourg and the terms of this paragraph. Upon receipt by the Registrar of:

- (g) notification by Euroclear and/or Clearstream, Luxembourg (as applicable), or their respective custodians or depositaries, that the appropriate debit and (if applicable) credit entries have been made in the accounts of the relevant participants of Euroclear and/or Clearstream, Luxembourg (as the case may be);

notification by DTC (if applicable), or its custodian or nominee, that the appropriate credit entries have been made in the accounts of the relevant participants of DTC; and

a certificate in the form set out below given by the holder of such beneficial interest requesting such transfer or exchange,

the Issuer shall procure that (i) the Registrar decreases the aggregate principal amount of this Regulation S Global Bond Certificate by the principal amount of Bonds the subject of such transfer and increases the aggregate principal amount of the Regulation S Global Bond Certificate by such principal amount, (ii) appropriate entries are made in the records of the depository for Euroclear and/or Clearstream, Luxembourg so as to reflect such decrease, and (iii) appropriate entries are made in the records held for DTC or Euroclear and Clearstream, Luxembourg (as applicable) so as to reflect such increase.

9. CONDITIONS APPLY

Save as otherwise provided herein, the Holder of this Regulation S Global Bond Certificate shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Regulation S Global Bond Certificate, any reference in the Conditions to “**Bond Certificate**” or “**Bond Certificates**” shall, except where the context otherwise requires, be construed so as to include this Regulation S Global Bond Certificate.

10. NOTICES

Notwithstanding Condition 17 (*Notices*), so long as this Regulation S Global Bond Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to holders of Bonds represented by this Regulation S Global Bond Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System and, in any case, such notices shall be deemed to have been given to holders of Bonds in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System.

11. MEETINGS

The holder of this Regulation S Global Bond Certificate shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of this Regulation S Global Bond Certificate shall be treated as having one vote in respect of each minimum denomination of Bonds for which this Regulation S Global Bond Certificate may be exchanged.

12. CANCELLATION

On each occasion on which Bonds represented by this Regulation S Global Bond Certificate are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*), cancellation of any Bond represented by this Regulation S Global Bond Certificate (other than upon its redemption) will be effected by reduction in the principal amount of this Regulation S Global Bond Certificate.

13. RECORD DATE

Each payment in respect of any Bond represented by this Regulation S Global Bond Certificate will be made to the person shown as the holder of this Regulation S Global Bond Certificate at the close of business on the Clearing System Business Day before the due date for payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each Clearing System for which this Regulation S Global Bond Certificate is being held is open for business.

14. BUSINESS DAY

Notwithstanding the definition of “Business Day” in Condition 6(i) (*Definitions*) and the definition of “business day” in Condition 9(g) (*Non-Business Days*), while any Bonds are represented by this Regulation S Global Bond Certificate and this Regulation S Global Bond Certificate is held on behalf of Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System, “**Business Day**” and “**business day**” shall mean:

- a) if the currency of payment is euro, any day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus; or
- b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus.

15. **LEGENDS**

The statements set out in the legends above are an integral part of this Regulation S Global Bond Certificate and, by acceptance hereof, each Holder of this Regulation S Global Bond Certificate agrees to be subject to and bound by such legends.

16. **DETERMINATION OF ENTITLEMENT**

This Regulation S Global Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Regulation S Global Bond Certificate.

17. **AUTHENTICATION**

This Regulation S Global Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Trust Company Americas as registrar.

18. **GOVERNING LAW**

This Regulation S Global Bond Certificate and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

HEATHROW FUNDING LIMITED

By:

[facsimile/manual signature]

(duly authorised)

ISSUED on [issue date]

AUTHENTICATED for and on behalf of

DEUTSCHE BANK TRUST COMPANY AMERICAS

as registrar
without recourse, warranty or liability

By:

[manual signature]
(duly authorised)

**FORM OF TRANSFER OF REGULATION S GLOBAL BOND CERTIFICATE IN
WHOLE**

FOR VALUE RECEIVED, being the registered holder of this Regulation S Global Bond Certificate, hereby transfers to of [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:

(duly authorised)

Notes

- (a) The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Regulation S Global Bond Certificate.
- (b) A representative of such registered holder should state the capacity in which he signs, e.g., executor.
- (c) The signature of the person effecting a transfer shall conform to any list of duly authorized specimen signatures supplied by the registered holder or be certified by a recognized bank, notary public or in such other manner as the Registrar may require.
- (d) Any transfer of Bonds shall be in an amount equal to [currency] [amount] or an integral multiple of [currency] [amount] in excess thereof.

**FORM OF TRANSFER OF BENEFICIAL INTEREST IN REGULATION S GLOBAL
BOND CERTIFICATE**

FOR VALUE RECEIVED, being the registered holder of a beneficial interest in the Regulation S Global Bond Certificate, hereby transfers to of

..... [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Bonds hereby certify that such Bonds are being transferred in accordance with the transfer restrictions set forth in the Base Prospectus relating to the Bonds dated [•] and as set forth in the Agency Agreement dated [•], and in accordance with the terms of any legend on the Global Bond Certificate and that we are transferring such Bonds³¹:

- 1. to a person whom we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a “qualified institutional buyer” (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) that is also a “qualified purchaser” as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A under the Securities Act and such transaction meets the requirements of Rule 144A under the Securities Act and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or

- 2. to the Issuer; or

- 3. in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
 - (a) the offer of the Bonds was made to a person who is neither a U.S. Person (as defined in Regulation S of the Securities Act) nor a U.S. Resident (as defined for purposes of the Investment Company Act) and is acquiring the Bonds in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and

³¹ Tick one of the following boxes: 1, 2 or 3.

- ³² (b) at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United States; or
- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States; and
- (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Dated:

By:

(duly authorised)

[Attached to the Global Bond Certificate:]

[Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.]

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

U.S. PAYING AGENT AND TRANSFER AGENT

DEUTSCHE BANK TRUST COMPANY AMERICAS

REGISTRAR

DEUTSCHE BANK TRUST COMPANY AMERICAS

³² Tick one box for alternative sub-paragraphs (b) as appropriate.

Part 2
Form of Rule 144A DTC Global Bond Certificate

THE BOND REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER THEREOF HAS NOT AND DOES NOT INTEND TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THIS BOND (AND ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND IN COMPLIANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) BY ACCEPTING DELIVERY HEREOF (OR OF AN INTEREST HEREIN) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO THE ISSUER; (2) IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (“**REGULATION S**”), OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT), ONLY TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “**QP**”) WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A “**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; OR (3) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATIONS) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS) PURSUANT TO RULE 903 OR RULE 904 OF REGULATIONS; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS BOND PURSUANT TO THE BOND TRUST DEED.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS RULE 144A BOND (OR A BENEFICIAL INTEREST THEREIN), BY PURCHASING OR OTHERWISE ACQUIRING SUCH INTEREST, IS DEEMED TO REPRESENT,

WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT:

- (A) IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS BOND (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE 30 APRIL 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE 30 APRIL 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (VII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;
- (B) ANY RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THIS BOND OR ITS INTEREST THEREIN TO A PERSON WHO EITHER (I) IS A U.S. PERSON WHO IS BOTH A QIB AND A QP THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS BOND OR INTEREST THEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) IS NEITHER A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) NOR A U.S. RESIDENT (AS

DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ITS ACCEPTING DELIVERY OF THIS BOND OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS BOND OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFORE PAID BY THE ORIGINAL TRANSFEREE, (2) 100% OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS BOND OR INTEREST THEREIN TO A U.S. PERSON (AS DEFINED IN REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ANY SUBSEQUENT TRANSFEREE.

THE PURCHASER OF THIS BOND OR ANY INTEREST THEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

UNLESS THIS BOND CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUING ENTITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY

OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[THE BENEFICIAL OWNER OR HOLDER OF THE BONDS WHO IS A RESIDENT OF KOREA OR A KOREAN NATIONAL OR ANY SUBSEQUENT TRANSFEREE MAY NOT TRANSFER THE NEW SECURITIES WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF THE BONDS UNLESS SUCH BONDS HELD BY THE BENEFICIAL OWNER OR THE SUBSEQUENT TRANSFEREE ARE TRANSFERRED IN ONE LOT TO A SINGLE PERSON.]³³

[THIS BOND HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS BOND MAY BE OBTAINED BY WRITING TO: *[address of Issuer’s representative responsible for OID calculation].*]

ISIN:

CUSIP:

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

LHR AIRPORTS LIMITED

*(incorporated in England and Wales with limited liability)*³⁴

[guaranteed by

[name of Financial Guarantor]

*(incorporated with [limited liability] in [jurisdiction])*³⁵

RULE 144A DTC GLOBAL BOND CERTIFICATE

1. INTRODUCTION

This Rule 144A DTC Global Bond Certificate is issued in respect of the *[currency] [amount] [Fixed Rate]/[Floating Rate]/[Indexed]* Bonds due *[maturity]* (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”). The Bonds are constituted by, are subject to, and have the benefit of, a trust deed (as amended or supplemented from time to time, the “**Bond Trust Deed**”) dated 18 August 2008 as supplemented by a first supplemental bond trust deed dated

³³ Include on Bonds issued on the Initial Issue Date that are to be exchanged for bonds originally issued by LHR Airports Limited.

³⁴ Delete for Bonds other than BAA Guaranteed Bonds.

³⁵ Delete for Bonds other than Wrapped Bonds.

13 January 2012, a second supplemental bond trust deed dated 18 October 2013, a third supplemental bond trust deed dated 15 December 2014, a fourth supplemental bond trust deed dated 22 January 2016, a fifth supplemental bond trust deed dated [•] 2017 [and a [•] supplemental bond trust deed dated [•]], between, *inter alios*, the Issuer and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) and the terms and conditions (the “**Conditions**”) endorsed thereon and are the subject of an agency agreement dated 18 August 2008 (as amended and supplemented from time to time, the “**Agency Agreement**”) and made between, *inter alios*, the Issuer, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”), Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”) and the other paying agents and the transfer agents named therein and the Bond Trustee.

[The Bonds are unconditionally and irrevocably guaranteed by LHR Airports Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee (as supplemented, amended or replaced from time to time, the “**BAA Bond Guarantee**”) dated [•] 2008 between the Bond Guarantor and the Bond Trustee.]³⁶

[The Bonds are unconditionally and irrevocably guaranteed as to timely payments or interest and principal pursuant to a financial guarantee (and the endorsement thereto) (the “**Financial Guarantee**”) to be issued by [•].]³⁷

2. INTERPRETATION

Any reference herein to the “**Conditions**” is to the terms and conditions of the Bonds attached hereto and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof.

In this Rule 144A DTC Global Bond Certificate, unless otherwise defined herein or the context requires otherwise, words and expressions have the meanings and constructions ascribed to them in the Conditions.

3. REGISTERED HOLDER

This is to certify that:

Cede & Co. (the “**Nominee**”)

is the person registered in the Register maintained by the Registrar in relation to the Bonds as the duly registered holder (the “**Holder**”) of the Bonds represented from time to time by this Rule 144A DTC Global Bond Certificate.

4. PROMISE TO PAY

The Issuer for value received promises, all in accordance with the Conditions and the Bond Trust Deed (as defined above) to pay to the Holder, on the Maturity Date specified in the Conditions or on such earlier date as any such Bond may become due and payable in accordance with the Conditions, such principal amount as is noted in the records of the

³⁶ Delete for Bonds other than BAA Guaranteed Bonds.

³⁷ Delete for Unwrapped Bonds.

Nominee as being the principal amount of this Rule 144A DTC Global Note Certificate for the time being (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal [or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become so due and payable]³⁸ and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

5. **TRANSFERS IN WHOLE**

Transfers of this Rule 144A DTC Global Bond Certificate shall be limited to transfers in whole, but not in part, to nominees of The Depository Trust Company (“**DTC**”) or to a successor of DTC or to such successor's respective nominee.

6. **EXCHANGE FOR RULE 144A INDIVIDUAL BOND CERTIFICATES**

This Rule 144A DTC Global Bond Certificate will be exchanged in whole but not in part only for duly authenticated and completed individual certificates (“**Rule 144A Individual Bond Certificates**”) in substantially the form (subject to completion) set out in Part 5 (*Form of Rule 144A Individual Bond Certificate*) of Schedule 5 to the Bond Trust Deed if (i) DTC notifies the Bond Trustee or the Principal Paying Agent that it is unwilling or unable to continue as depository for the Rule 144A DTC Global Bond Certificate or DTC ceases to be a “clearing agency” registered under the United States Securities and Exchange Act of 1934, as amended (the “**Securities Act**”), and a successor depository or clearing system is not appointed by the Trustee or the Principal Paying Agent within 90 days of receiving such notice; or (ii) any Bond Event of Default as set out in Condition 11 (*Bond Events of Default*) (each, an “**Exchange Event**”).

Such exchange shall be effected in accordance with paragraph 7 (*Delivery of Rule 144A Individual Bond Certificates*). The Issuer shall notify the Holder of the occurrence of any such event as soon as practicable thereafter.

7. **DELIVERY OF RULE 144A INDIVIDUAL BOND CERTIFICATES**

Whenever this Rule 144A DTC Global Bond Certificate is to be exchanged for Rule 144A Individual Bond Certificates, such Rule 144A Individual Bond Certificates shall be issued in an aggregate principal amount equal to the Principal Amount Outstanding of this Rule 144A DTC Global Bond Certificate against the surrender of this Rule 144A DTC Global Bond Certificate at the specified office of the Registrar within five business days of:

- (h) the delivery to the Registrar, by or on behalf of the Holder, and DTC, of such information as is required to complete and deliver such Rule 144A Individual Bond Certificates (including, without limitation, the names and addresses of the persons in whose names the Rule 144A Individual Bond Certificates are to be registered and the principal amount of each such person's holding); and

³⁸ Insert only for Instalment Bonds.

the delivery to the Registrar of a certificate given by or on behalf of the holder of each beneficial interest in this Rule 144A DTC Global Bond Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Bonds and that the person transferring such interest reasonably believes that the person acquiring such interest is a qualified institutional buyer (as defined in Rule 144A (“**Rule 144A**”) under the Securities Act) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A under the Securities Act.

Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, “business day” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its specified office.

8. **TRANSFER AND EXCHANGE FOR AN INTEREST IN THE REGULATION S GLOBAL BOND CERTIFICATE**

If a holder of a beneficial interest in the Bonds represented by this Rule 144A DTC Global Bond Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in any Regulation S global bond certificate issued in relation to the Bonds (the “**Regulation S Global Bond Certificate**”), and only if such corresponding Regulation S Global Bond Certificate has been issued by the Issuer as specified in the relevant Final Terms of any Series of Bonds, such holder may transfer such beneficial interest in accordance with the rules and operating procedures of DTC, Euroclear Bank S.A./N.V., as operator of the Euroclear system, (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) (as applicable) and the terms of this paragraph. Upon receipt by the Registrar of:

- (a) notification by DTC, or its custodian or nominee, that the appropriate debit entries have been made in the accounts of the relevant participants of DTC;

notification by Euroclear and/or Clearstream, Luxembourg (as applicable), or their respective custodians or depositaries, that the appropriate credit entries have been made in the accounts of the relevant participants of Euroclear and/or Clearstream, Luxembourg (as the case may be); and

a certificate in the form set out below given by the holder of such beneficial interest requesting such transfer or exchange,

the Issuer shall procure that (i) the Registrar decreases the aggregate principal amount of this Rule 144A DTC Global Bond Certificate by the principal amount of Bonds the subject of such transfer and increases the aggregate principal amount of the Regulation S Global Bond Certificate by such principal amount, (ii) appropriate entries are made in the records held for

DTC so as to reflect such decrease and (iii) appropriate entries are made in the records of the depository for Euroclear and/or Clearstream, Luxembourg so as to reflect such increase.

9. **CONDITIONS APPLY**

Save as otherwise provided herein, the Holder of this Rule 144A DTC Global Bond Certificate shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Rule 144A DTC Global Bond Certificate, any reference in the Conditions to “**Bond Certificate**” or “**Bond Certificates**” shall, except where the context otherwise requires, be construed so as to include this Rule 144A DTC Global Bond Certificate.

10. **NOTICES**

Notwithstanding Condition 17 (*Notices*), so long as this Rule 144A DTC Global Bond Certificate is held on behalf of DTC or any other clearing system (an “**Alternative Clearing System**”), notices to holders of Bonds represented by this Rule 144A DTC Global Bond Certificate may be given by delivery of the relevant notice to DTC or (as the case may be) such Alternative Clearing System and, in any case, such notices shall be deemed to have been given to holders of Bonds in accordance with Condition 17 (*Notices*) on the date of delivery to DTC and/or an Alternative Clearing System.

11. **MEETINGS**

The holder of this Rule 144A DTC Global Bond Certificate shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of this Rule 144A DTC Global Bond Certificate shall be treated as having one vote in respect of each minimum denomination of Bonds for which this Rule 144A DTC Global Bond Certificate may be exchanged.

12. **CANCELLATION**

On each occasion on which Bonds represented by this Rule 144A DTC Global Bond Certificate are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*), cancellation of any Bond represented by this Rule 144A DTC Global Bond Certificate (other than upon its redemption) will be effected by reduction in the principal amount of this Rule 144A DTC Global Bond Certificate.

13. **RECORD DATE**

Each payment in respect of any Bond represented by this Rule 144A DTC Global Bond Certificate will be made to the person shown as the holder of this Rule 144A DTC Bond Certificate at the close of business on the Clearing System Business Day before the due date for payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each Clearing System for which this Rule 144A DTC Global Bond Certificate is being held is open for business.

14. **BUSINESS DAY**

Notwithstanding the definition of “Business Day” in Condition 6(i) (*Definitions*) and the definition of “business day” in Condition 9(g) (*Non-Business Days*), while any Bonds are represented by this Rule 144A DTC Global Bond Certificate and this Rule 144A DTC Global

Bond Certificate is held on behalf of DTC and/or any other relevant Clearing System, “**Business Day**” and “**business day**” shall mean:

- a) if the currency of payment is euro, any day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus; or
- b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus.

15. **LEGENDS**

The statements set out in the legends above are an integral part of this Rule 144A DTC Global Bond Certificate and, by acceptance hereof, each Holder of this Rule 144A DTC Global Bond Certificate agrees to be subject to and bound by such legends.

16. **DETERMINATION OF ENTITLEMENT**

This Rule 144A DTC Global Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Rule 144A DTC Global Bond Certificate.

17. **AUTHENTICATION**

This Rule 144A DTC Global Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Trust Company Americas as registrar.

18. **GOVERNING LAW**

This Rule 144A DTC Global Bond Certificate and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

HEATHROW FUNDING LIMITED

By:

[facsimile/manual signature]

(duly authorised)

ISSUED on [issue date]

AUTHENTICATED for and on behalf of

DEUTSCHE BANK TRUST COMPANY AMERICAS

as registrar
without recourse, warranty or liability

By:

[manual signature]

(duly authorised)

FORM OF TRANSFER OF RULE 144A DTC GLOBAL BOND CERTIFICATE IN WHOLE

FOR VALUE RECEIVED, being the registered holder of this Rule 144A DTC Global Bond Certificate, hereby transfers to of [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:

(duly authorised)

Notes

- (a) The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Rule 144A DTC Global Bond Certificate.
- (b) A representative of such registered holder should state the capacity in which he signs, e.g., executor.
- (c) The signature of the person effecting a transfer shall conform to any list of duly authorized specimen signatures supplied by the registered holder or be certified by a recognized bank, notary public or in such other manner as the Registrar may require.
- (d) Any transfer of Bonds shall be in an amount equal to [currency] [amount] or an integral multiple of [currency] [amount] in excess thereof.

FORM OF TRANSFER OF BENEFICIAL INTEREST IN RULE 144A DTC GLOBAL BOND CERTIFICATE

FOR VALUE RECEIVED, being the registered holder of a beneficial interest in the Rule 144A DTC Global Bond Certificate, hereby transfers to of

.....
..... [currency]
..... in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Bonds hereby certify that such Bonds are being transferred in accordance with the transfer restrictions set forth in the Base Prospectus relating to the Bonds dated [•] and as set forth in the Agency Agreement dated [•], and in accordance with the terms of any legend on the Global Bond Certificate and that we are transferring such Bonds³⁹:

1. to a person whom we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a “qualified institutional buyer” (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) that is also a “qualified purchaser” as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A under the Securities Act and such transaction meets the requirements of Rule 144A under the Securities Act and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
2. to the Issuer; or
3. in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
 - (a) the offer of the Bonds was made to a person who is neither a U.S. Person (as defined in Regulation S of the Securities Act) nor a U.S. Resident (as defined for purposes of the Investment Company Act) and is acquiring the Bonds in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and

³⁹ Tick one of the following boxes: 1, 2 or 3.

- ⁴⁰ (b) at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United States; or
- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States; and
- (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Dated:

By:

(duly authorised)

[Attached to the Global Bond Certificate:]

[Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.]

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

U.S. PAYING AGENT AND TRANSFER AGENT

DEUTSCHE BANK TRUST COMPANY AMERICAS

REGISTRAR

DEUTSCHE BANK TRUST COMPANY AMERICAS

⁴⁰ Tick one box for alternative sub-paragraphs (b) as appropriate.

Part 3
Form of Rule 144A EC Global Bond Certificate

THE BOND REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER THEREOF HAS NOT AND DOES NOT INTEND TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THIS BOND (AND ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND IN COMPLIANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) BY ACCEPTING DELIVERY HEREOF (OR OF AN INTEREST HEREIN) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO THE ISSUER; (2) IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (“**REGULATION S**”), OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT), ONLY TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “**QP**”) WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A “**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; OR (3) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATIONS) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS) PURSUANT TO RULE 903 OR RULE 904 OF REGULATIONS; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS BOND PURSUANT TO THE BOND TRUST DEED.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS RULE 144A BOND (OR A BENEFICIAL INTEREST THEREIN), BY PURCHASING OR OTHERWISE ACQUIRING SUCH INTEREST, IS DEEMED TO REPRESENT,

WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT:

- (A) IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS BOND (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE 30 APRIL 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE 30 APRIL 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (VII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;
- (B) ANY RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THIS BOND OR ITS INTEREST THEREIN TO A PERSON WHO EITHER (I) IS A U.S. PERSON WHO IS BOTH A QIB AND A QP THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS BOND OR INTEREST THEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) IS NEITHER A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) NOR A U.S. RESIDENT (AS

DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ITS ACCEPTING DELIVERY OF THIS BOND OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS BOND OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFORE PAID BY THE ORIGINAL TRANSFEREE, (2) 100% OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS BOND OR INTEREST THEREIN TO A U.S. PERSON (AS DEFINED IN REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ANY SUBSEQUENT TRANSFEREE.

THE PURCHASER OF THIS BOND OR ANY INTEREST THEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THE BENEFICIAL OWNER OR HOLDER OF THE BONDS WHO IS A RESIDENT OF KOREA OR A KOREAN NATIONAL OR ANY SUBSEQUENT TRANSFEREE MAY NOT TRANSFER THE NEW SECURITIES WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF THE BONDS UNLESS SUCH BONDS HELD BY THE BENEFICIAL OWNER OR THE SUBSEQUENT TRANSFEREE ARE TRANSFERRED IN ONE LOT TO A SINGLE PERSON.]⁴¹

⁴¹ Include on Bonds issued on the Initial Issue Date that are to be exchanged for bonds originally issued by LHR Airports Limited.

[THIS BOND HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS BOND MAY BE OBTAINED BY WRITING TO: *[address of Issuer’s representative responsible for OID calculation].*]

ISIN:

CUSIP:

HEATHROW FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

LHR AIRPORTS LIMITED

(incorporated in England and Wales with limited liability)]⁴²

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])⁴³

RULE 144A EC GLOBAL BOND CERTIFICATE

1. INTRODUCTION

This Rule 144A EC Global Bond Certificate is issued in respect of the *[currency] [amount] [Fixed Rate]/[Floating Rate]/[Indexed]* Bonds due *[maturity]* (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”). The Bonds are constituted by, are subject to, and have the benefit of, a trust deed (as amended or supplemented from time to time, the “**Bond Trust Deed**”) dated 18 August 2008 as supplemented by a first supplemental bond trust deed dated 13 January 2012, a second supplemental bond trust deed dated 18 October 2013, a third supplemental bond trust deed dated 15 December 2014, a fourth supplemental bond trust deed dated 22 January 2016, a fifth supplemental bond trust deed dated [•] 2017 [and a [•] supplemental bond trust deed dated [•]], between, *inter alios*, the Issuer and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) and the terms and conditions (the “**Conditions**”) endorsed thereon and are the subject of an agency agreement dated 18 August 2008 (as amended and supplemented from time to time, the “**Agency Agreement**”) and made between, *inter alios*, the Issuer, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”), Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”) and the other paying agents and the transfer agents named therein and the Bond Trustee.

⁴² Delete for Bonds other than BAA Guaranteed Bonds.

⁴³ Delete for Bonds other than Wrapped Bonds.

[The Bonds are unconditionally and irrevocably guaranteed by LHR Airports Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee (as supplemented, amended or replaced from time to time, the “**BAA Bond Guarantee**”) dated [•] 2008 between the Bond Guarantor and the Bond Trustee.]⁴⁴

[The Bonds are unconditionally and irrevocably guaranteed as to timely payments or interest and principal pursuant to a financial guarantee (and the endorsement thereto) (the “**Financial Guarantee**”) to be issued by [•].]⁴⁵

2. **INTERPRETATION**

Any reference herein to the “**Conditions**” is to the terms and conditions of the Bonds attached hereto and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof.

In this Rule 144A EC Global Bond Certificate, unless otherwise defined herein or the context requires otherwise, words and expressions have the meanings and constructions ascribed to them in the Conditions.

3. **REGISTERED HOLDER**

This is to certify that:

[common depositary (or nominee)] (the “Common Depositary”)

is the person registered in the Register maintained by the Registrar in relation to the Bonds as the duly registered holder (the “**Holder**”) of the Bonds represented from time to time by this Rule 144A EC Global Bond Certificate.

4. **PROMISE TO PAY**

The Issuer for value received promises, all in accordance with the Conditions and the Bond Trust Deed (as defined above) to pay to the Holder, on the Maturity Date specified in the Conditions or on such earlier date as any such Bond may become due and payable in accordance with the Conditions, such principal amount as is noted in the records of the Common Depositary as being the principal amount of this Rule 144A EC Global Note Certificate for the time being (the “**Recorded Principal**”) or, if the Conditions provide for some other amount to be payable on such date, such other amount referable to the Recorded Principal [or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become so due and payable]⁴⁶ and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

⁴⁴ Delete for Bonds other than BAA Guaranteed Bonds.

⁴⁵ Delete for Unwrapped Bonds.

⁴⁶ Insert only for Instalment Bonds.

5. TRANSFERS IN WHOLE

Transfers of this Rule 144A EC Global Bond Certificate shall be limited to transfers in whole, but not in part, to nominees of Euroclear Bank S.A./N.V. as operator of the Euroclear System, (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or to a successor of Euroclear and Clearstream, Luxembourg or to such successors' respective nominee.

6. EXCHANGE FOR RULE 144A INDIVIDUAL BOND CERTIFICATES

This Rule 144A EC Global Bond Certificate will be exchanged in whole but not in part only for duly authenticated and completed individual certificates (“**Rule 144A Individual Bond Certificates**”) in substantially the form (subject to completion) set out in Part 5 (*Form of Rule 144A Individual Bond Certificate*) of Schedule 5 to the Bond Trust Deed if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (ii) any Bond Event of Default as set out in Condition 11 (*Bond Events of Default*) (each, an “**Exchange Event**”).

Such exchange shall be effected in accordance with paragraph 7 (*Delivery of Rule 144A Individual Bond Certificates*). The Issuer shall notify the Holder of the occurrence of any such event as soon as practicable thereafter.

7. DELIVERY OF RULE 144A INDIVIDUAL BOND CERTIFICATES

Whenever this Rule 144A EC Global Bond Certificate is to be exchanged for Rule 144A Individual Bond Certificates, such Rule 144A Individual Bond Certificates shall be issued in an aggregate principal amount equal to the Principal Amount Outstanding of this Rule 144A EC Global Bond Certificate against the surrender of this Rule 144A EC Global Bond Certificate at the specified office of the Registrar within five business days of:

- (a) the delivery to the Registrar, by or on behalf of the Holder, and Euroclear and Clearstream, Luxembourg, of such information as is required to complete and deliver such Rule 144A Individual Bond Certificates (including, without limitation, the names and addresses of the persons in whose names the Rule 144A Individual Bond Certificates are to be registered and the principal amount of each such person's holding); and

the delivery to the Registrar of a certificate given by or on behalf of the holder of each beneficial interest in this Rule 144A EC Global Bond Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Bonds and that the person transferring such interest reasonably believes that the person acquiring such interest is a qualified institutional buyer (as defined in Rule 144A (“**Rule 144A**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A under the Securities Act.

Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, “business day” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its specified office.

8. **TRANSFER AND EXCHANGE FOR AN INTEREST IN THE REGULATION S GLOBAL BOND CERTIFICATE**

If a holder of a beneficial interest in the Bonds represented by this Rule 144A EC Global Bond Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in any Regulation S global bond certificate issued in relation to the Bonds (the “**Regulation S Global Bond Certificate**”), and only if such corresponding Regulation S Global Bond Certificate has been issued by the Issuer as specified in the relevant Final Terms of any Series of Bonds, such holder may transfer such beneficial interest in accordance with the rules and operating procedures of Euroclear and Clearstream, Luxembourg and the terms of this paragraph. Upon receipt by the Registrar of:

- (b) notification by Euroclear and/or Clearstream, Luxembourg (as applicable), or their respective custodians or depositaries, that the appropriate debit and credit entries have been made in the accounts of the relevant participants of Euroclear and/or Clearstream, Luxembourg (as the case may be); and

a certificate in the form set out below given by the holder of such beneficial interest requesting such transfer or exchange,

the Issuer shall procure that (i) the Registrar decreases the aggregate principal amount of this Rule 144A EC Global Bond Certificate by the principal amount of Bonds the subject of such transfer and increases the aggregate principal amount of the Regulation S Global Bond Certificate by such principal amount and (ii) appropriate entries are made in the records of the depositary for Euroclear and/or Clearstream, Luxembourg so as to reflect such changes.

9. **CONDITIONS APPLY**

Save as otherwise provided herein, the Holder of this Rule 144A EC Global Bond Certificate shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Rule 144A EC Global Bond Certificate, any reference in the Conditions to “**Bond Certificate**” or “**Bond Certificates**” shall, except where the context otherwise requires, be construed so as to include this Rule 144A EC Global Bond Certificate.

10. **NOTICES**

Notwithstanding Condition 17 (*Notices*), so long as this Rule 144A EC Global Bond Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to holders of Bonds represented by this Rule 144A EC Global Bond Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing

System and, in any case, such notices shall be deemed to have been given to holders of Bonds in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System.

11. MEETINGS

The holder of this Rule 144A EC Global Bond Certificate shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of this Rule 144A EC Global Bond Certificate shall be treated as having one vote in respect of each minimum denomination of Bonds for which this Rule 144A EC Global Bond Certificate may be exchanged.

12. CANCELLATION

On each occasion on which Bonds represented by this Rule 144A EC Global Bond Certificate are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*), cancellation of any Bond represented by this Rule 144A EC Global Bond Certificate (other than upon its redemption) will be effected by reduction in the principal amount of this Rule 144A EC Global Bond Certificate.

13. RECORD DATE

Each payment in respect of any Bond represented by this Rule 144A EC Global Bond Certificate will be made to the person shown as the holder of this Rule 144A EC Global Bond Certificate at the close of business on the Clearing System Business Day before the due date for payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each Clearing System for which this Rule 144A EC Global Bond Certificate is being held is open for business.

14. BUSINESS DAY

Notwithstanding the definition of “Business Day” in Condition 6(i) (*Definitions*) and the definition of “business day” in Condition 9(g) (*Non-Business Days*), while any Bonds are represented by this Rule 144A EC Global Bond Certificate and this Rule 144A EC Global Bond Certificate is held on behalf of Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System, “**Business Day**” and “**business day**” shall mean:

- a) if the currency of payment is euro, any day on which the TARGET system is open and a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus; or
- b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus.

15. LEGENDS

The statements set out in the legends above are an integral part of this Rule 144A EC Global Bond Certificate and, by acceptance hereof, each Holder of this Rule 144A EC Global Bond Certificate agrees to be subject to and bound by such legends.

16. **DETERMINATION OF ENTITLEMENT**

This Rule 144A EC Global Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Rule 144A EC Global Bond Certificate.

17. **AUTHENTICATION**

This Rule 144A EC Global Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Trust Company Americas as registrar.

18. **GOVERNING LAW**

This Rule 144A EC Global Bond Certificate and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

HEATHROW FUNDING LIMITED

By:

[facsimile/manual signature]

(duly authorised)

ISSUED on [issue date]

AUTHENTICATED for and on behalf of

DEUTSCHE BANK TRUST COMPANY AMERICAS

as registrar

without recourse, warranty or liability

By:

[manual signature]

(duly authorised)

FORM OF TRANSFER OF RULE 144A EC GLOBAL BOND CERTIFICATE IN WHOLE

FOR VALUE RECEIVED, being the registered holder of this Rule 144A EC Global Bond Certificate, hereby transfers to of

.....
..... [currency]

..... in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:
(duly authorised)

Notes

- (a) The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Rule 144A EC Global Bond Certificate.
- (b) A representative of such registered holder should state the capacity in which he signs, e.g., executor.
- (c) The signature of the person effecting a transfer shall conform to any list of duly authorized specimen signatures supplied by the registered holder or be certified by a recognized bank, notary public or in such other manner as the Registrar may require.
- (d) Any transfer of Bonds shall be in an amount equal to [currency] [amount] or an integral multiple of [currency] [amount] in excess thereof.

FORM OF TRANSFER OF BENEFICIAL INTEREST IN RULE 144A EC GLOBAL BOND CERTIFICATE

FOR VALUE RECEIVED, being the registered holder of a beneficial interest in the Rule 144A EC Global Bond Certificate, hereby transfers to of [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of Heathrow Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Bonds hereby certify that such Bonds are being transferred in accordance with the transfer restrictions set forth in the Base Prospectus relating to the Bonds dated [•] and as set forth in the Agency Agreement dated [•], and in accordance with the terms of any legend on the Global Bond Certificate and that we are transferring such Bonds⁴⁷:

1. to a person whom we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a “qualified institutional buyer” (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) that is also a “qualified purchaser” as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A under the Securities Act and such transaction meets the requirements of Rule 144A under the Securities Act and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
2. to the Issuer; or
3. in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
 - (a) the offer of the Bonds was made to a person who is neither a U.S. Person (as defined in Regulation S of the Securities Act) nor a U.S. Resident (as defined for purposes of the Investment Company Act) and is acquiring the Bonds in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and

⁴⁷ Tick one of the following boxes: 1, 2 or 3.

- ⁴⁸ (b) at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United States; or
- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States; and
- (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Dated:

By:

(duly authorised)

[Attached to the Global Bond Certificate:]

[Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.]

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

U.S. PAYING AGENT AND TRANSFER AGENT

DEUTSCHE BANK TRUST COMPANY AMERICAS

REGISTRAR

DEUTSCHE BANK TRUST COMPANY AMERICAS

⁴⁸ Tick one box for alternative sub-paragraphs (b) as appropriate.

Part 4
Form of Regulation S Individual Bond Certificate

ISIN:

THE BOND REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER THEREOF HAS NOT AND DOES NOT INTEND TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THIS BOND (AND ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND IN COMPLIANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) BY ACCEPTING DELIVERY HEREOF (OR OF AN INTEREST HEREIN) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO THE ISSUER; (2) IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT), ONLY TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “**QP**”) WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A “**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; OR (3) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS BOND PURSUANT TO THE BOND TRUST DEED.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) IS ALSO DEEMED TO REPRESENT AND AGREE

THAT IT IS NEITHER A U.S. PERSON NOR A U.S. RESIDENT AND ACKNOWLEDGES THAT AN INTEREST IN A REGULATION S BOND MAY NOT BE HELD BY A U.S. PERSON OR A U.S. RESIDENT AT ANY TIME.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND OR AN INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND AGREE EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) “PLAN ASSETS” BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THIS BOND HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS BOND MAY BE OBTAINED BY WRITING TO: *[address of Issuer’s representative responsible for OID calculation].*]

ISIN:

BAA FUNDING LIMITED

(incorporated in Jersey with limited liability)

[currency][amount]

[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

BAA LIMITED

(incorporated in England and Wales with limited liability)]⁴⁹

[guaranteed by

[name of Financial Guarantor]

(incorporated with [limited liability] in [jurisdiction])⁵⁰

REGULATION S INDIVIDUAL BOND CERTIFICATE

⁴⁹ Delete for Bonds other than BAA Guaranteed Bonds.

⁵⁰ Delete for Bonds other than Wrapped Bonds.

be payable on such date, such other amount referable to the Recorded Principal [or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts referable to the Recorded Principal as may become so due and payable]⁵³ and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

The statements set out in the legend above are an integral part of this Regulation S Individual Bond Certificate and, by acceptable hereof, each Holder of this Regulation S Individual Bond Certificate agrees to be subject to and bound by such legends.

This Regulation S Individual Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Regulation S Individual Bond Certificate.

This Regulation S Individual Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Trust Company Americas as registrar.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

BAA FUNDING LIMITED

By:
[*manual / facsimile signature*]
(*duly authorised*)

ISSUED as of [*issue date*]

**AUTHENTICATED for and on behalf of
DEUTSCHE BANK TRUST COMPANY AMERICAS**

as registrar
without recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

⁵³ Insert only for Instalment Bonds.

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of a beneficial interest in the Regulation S Individual Bond Certificate, hereby transfers to of [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of BAA Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Bonds hereby certify that such Bonds are being transferred in accordance with the transfer restrictions set forth in the Base Prospectus relating to the Bonds dated [•] and as set forth in the Agency Agreement dated [•], and in accordance with the terms of any legend on the Global Bond Certificate and that we are transferring such Bonds⁵⁴:

1. to a person whom we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a “qualified institutional buyer” (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) that is also a “qualified purchaser” as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A under the Securities Act and such transaction meets the requirements of Rule 144A under the Securities Act and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
2. to the Issuer; or
3. in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
 - (a) the offer of the Bonds was made to a person who is neither a U.S. Person (as defined in Regulation S of the Securities Act) nor a U.S. Resident (as defined for purposes of the Investment Company Act) and is acquiring the Bonds in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and

⁵⁴ Tick one of the following boxes: 1, 2 or 3.

- ⁵⁵ (b) at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United States; or
- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States; and
- (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Dated:

By:

(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Regulation S Individual Bond Certificate.

- (b) A representative of such registered holder should state the capacity in which he signs, *e.g.* executor.
- (c) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (d) Any transfer of Bonds shall be in an amount equal to [*currency*] [*amount*] or any integral multiple of [*currency*] [*amount*] in excess thereof.

[Attached to the Global Bond Certificate:]

[Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.]

⁵⁵ Tick one box for alternative sub-paragraphs (b) as appropriate.

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

U.S. PAYING AGENT AND TRANSFER AGENT

DEUTSCHE BANK TRUST COMPANY AMERICAS

REGISTRAR

DEUTSCHE BANK TRUST COMPANY AMERICAS

Part 5
Form of Rule 144A Individual Bond Certificate

THE BOND REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER THEREOF HAS NOT AND DOES NOT INTEND TO REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THIS BOND (AND ANY BENEFICIAL INTEREST THEREIN) MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND IN COMPLIANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

EACH PERSON WHO PURCHASES OR OTHERWISE ACQUIRES THIS BOND (OR A BENEFICIAL INTEREST THEREIN) BY ACCEPTING DELIVERY HEREOF (OR OF AN INTEREST HEREIN) IS DEEMED TO REPRESENT, WARRANT, ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT: (1) TO THE ISSUER; (2) IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT), ONLY TO A PERSON WHO IS A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “**QP**”) WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A “**QIB**”) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; OR (3) OUTSIDE THE UNITED STATES, TO A PERSON WHO IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S) NOR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S; AND IN EACH CASE IN A PRINCIPAL AMOUNT (FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING) OF NOT LESS THAN THE MINIMUM DENOMINATION SPECIFIED FOR THIS BOND PURSUANT TO THE BOND TRUST DEED.

EACH TRANSFEREE WHO PURCHASES OR OTHERWISE ACQUIRES THIS RULE 144A BOND (OR A BENEFICIAL INTEREST THEREIN), BY PURCHASING OR OTHERWISE ACQUIRING SUCH INTEREST, IS DEEMED TO REPRESENT, WARRANT,

ACKNOWLEDGE AND AGREE FOR THE BENEFIT OF THE ISSUER AND THE BOND TRUSTEE THAT:

- (A) IT, AND EACH PERSON FOR WHICH IT IS ACTING, (I) IS A QIB THAT IS A QP, (II) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THIS BOND (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER AND EACH PERSON FOR WHICH IT IS ACTING IS A QP), (III) HAS RECEIVED THE NECESSARY CONSENT TO BE TREATED AS A QP FROM ALL BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE 30 APRIL 1996, WHEN THE PURCHASER OR ANY PERSON FOR WHICH IT IS ACTING IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE 30 APRIL 1996, (IV) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (V) IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (VI) UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORY AND (VII) IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs EACH OF WHICH IS ALSO A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION AND HAS FULL POWER TO MAKE THE ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS ON BEHALF OF EACH SUCH ACCOUNT CONTAINED IN THIS LEGEND;
- (B) ANY RESALE OR OTHER TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE BOND TRUSTEE OR ANY INTERMEDIARY;
- (C) IN THE EVENT OF A TRANSFER OF THIS BOND (OR BENEFICIAL INTEREST THEREIN) TO A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY, IN ITS DISCRETION, EITHER (A) COMPEL SUCH TRANSFEREE TO SELL THIS BOND OR ITS INTEREST THEREIN TO A PERSON WHO EITHER (I) IS A U.S. PERSON WHO IS BOTH A QIB AND A QP THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS BOND OR INTEREST THEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) IS NEITHER A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) NOR A U.S. RESIDENT (AS DETERMINED FOR

PURPOSES OF THE INVESTMENT COMPANY ACT) IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (B) ON BEHALF OF SUCH TRANSFEREE (AND SUCH TRANSFEREE BY ITS ACCEPTING DELIVERY OF THIS BOND OR A BENEFICIAL INTEREST HEREIN IRREVOCABLY GRANTS TO THE ISSUER AND THE ISSUER'S AGENTS FULL POWER AND AUTHORITY TO, ON BEHALF OF SUCH TRANSFEREE), SELL THIS BOND OR SUCH TRANSFEREE'S INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (1) THE PURCHASE PRICE THEREFORE PAID BY THE ORIGINAL TRANSFEREE, (2) 100% OF THE PRINCIPAL AMOUNT THEREOF AND (3) THE FAIR MARKET VALUE THEREOF;

- (D) THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS BOND OR INTEREST THEREIN TO A U.S. PERSON (AS DEFINED IN REGULATION S) OR A U.S. RESIDENT (AS DETERMINED FOR PURPOSES OF THE INVESTMENT COMPANY ACT) WHO IS NOT BOTH A QIB AND A QP; AND
- (E) SUCH TRANSFEREE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ANY SUBSEQUENT TRANSFEREE.

THE PURCHASER OF THIS BOND OR ANY INTEREST THEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED EITHER THAT (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS BOND OR ANY INTEREST IN THIS BOND IT WILL NOT BE, (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE (OR ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 TO INCLUDE) "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY, OR (II) ITS PURCHASE AND HOLDING OF THIS BOND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

[THIS BOND HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS BOND MAY BE OBTAINED BY WRITING TO: *[address of Issuer's representative responsible for OID calculation].*]

ISIN:

CUSIP:

BAA FUNDING LIMITED
(incorporated in Jersey with limited liability)

[*currency*][*amount*]
[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

[guaranteed by

BAA LIMITED

(*incorporated in England and Wales with limited liability*)⁵⁶

[guaranteed by

[name of Financial Guarantor]

(*incorporated with [limited liability] in [jurisdiction]*)⁵⁷

RULE 144A INDIVIDUAL BOND CERTIFICATE

This Rule 144A Individual Bond Certificate is issued in respect of the [*currency*] [*amount*] [*Fixed Rate*]/[*Floating Rate*]/[*Indexed*] Bonds due [*maturity*] (the “**Bonds**”) of BAA Funding Limited (the “**Issuer**”). The Bonds are constituted by, are subject to, and have the benefit of, a trust deed (as amended or supplemented from time to time, the “**Bond Trust Deed**”) dated [•] 2008, between, *inter alios*, the Issuer and Deutsche Trustee Company Limited as trustee (the “**Bond Trustee**”) and the terms and conditions (the “**Conditions**”) endorsed thereon and are the subject of an agency agreement dated [•] 2008 (as amended and supplemented from time to time, the “**Agency Agreement**”) and made between, *inter alios*, the Issuer, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”), Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”) and the other paying agents and the transfer agents named therein and the Bond Trustee.

[The Bonds are unconditionally and irrevocably guaranteed by BAA Limited (the “**Bond Guarantor**”) pursuant to a bond guarantee (as supplemented, amended or replaced from time to time, the “**BAA Bond Guarantee**”) dated [•] 2008 between the Bond Guarantor and the Bond Trustee.]⁵⁸

[The Bonds are unconditionally and irrevocably guaranteed as to timely payments or interest and principal pursuant to a financial guarantee (and the endorsement thereto) (the “**Financial Guarantee**”) to be issued by [•].]⁵⁹

Any reference herein to the Conditions is to the terms and conditions of the Bonds endorsed hereon and any reference to a numbered Condition is to the correspondingly numbered provision thereof.

In this Rule 144A Individual Bond Certificate, unless otherwise defined herein or the context requires otherwise, words and expressions have the meanings and constructions ascribed to them in the Conditions.

⁵⁶ Delete for Bonds other than BAA Guaranteed Bonds.

⁵⁷ Delete for Bonds other than Wrapped Bonds.

⁵⁸ Delete for Bonds other than BAA Guaranteed Bonds.

⁵⁹ Delete for Unwrapped Bonds.

AUTHENTICATED for and on behalf of
DEUTSCHE BANK TRUST COMPANY AMERICAS
as registrar
without recourse, warranty or liability

By:

[manual signature]

(duly authorised)

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of a beneficial interest in the Rule 144A Individual Bond Certificate, hereby transfers to of [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the “**Bonds**”) of BAA Funding Limited (the “**Issuer**”) and irrevocably requests and authorises Deutsche Bank Trust Company Americas, in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Trust Company Americas, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Bonds hereby certify that such Bonds are being transferred in accordance with the transfer restrictions set forth in the Base Prospectus relating to the Bonds dated [•] and as set forth in the Agency Agreement dated [•], and in accordance with the terms of any legend on the Global Bond Certificate and that we are transferring such Bonds⁶¹:

1. to a person whom we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a “qualified institutional buyer” (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) that is also a “qualified purchaser” as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A under the Securities Act and such transaction meets the requirements of Rule 144A under the Securities Act and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
2. to the Issuer; or
3. in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
 - (a) the offer of the Bonds was made to a person who is neither a U.S. Person (as defined in Regulation S of the Securities Act) nor a U.S. Resident (as defined for purposes of the Investment Company Act) and is acquiring the Bonds in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and

⁶¹ Tick one of the following boxes: 1, 2 or 3.

- ⁶² (b) at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United States; or
- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States; and
- (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Dated:

By:

(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Rule 144A Individual Bond Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, *e.g.* executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Bonds shall be in an amount equal to [*currency*] [*amount*] or any integral multiple of [*currency*] [*amount*] in excess thereof.

[Attached to the Global Bond Certificate:]

[Please see Schedule 4 (*Terms and Conditions of the Bonds*) of the Bond Trust Deed.]

⁶² Tick one box for alternative sub-paragraphs (b) as appropriate.

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

U.S. PAYING AGENT AND TRANSFER AGENT

DEUTSCHE BANK TRUST COMPANY AMERICAS

REGISTRAR

DEUTSCHE BANK TRUST COMPANY AMERICAS

SCHEDULE 6

Part 1

Provisions for Meetings of Bondholders

19. (A) The provisions of this Schedule are subject to the provisions of Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*) and the STID.
- (B) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
- (i) “**voting certificate**” shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
- (a) that on the date thereof Bearer Bonds (whether in definitive form or represented by a Global Bond and not being Bearer Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Bonds will cease to be so deposited or held or blocked until the first to occur of:
- (1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
- (2) the surrender of the certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Bonds represented by such certificate;

- (ii) **“block voting instruction”** shall mean an English language document issued by a Paying Agent and dated in which:
- (a) it is certified that Bearer Bonds (whether in definitive form or represented by a Global Bond and not being Bearer Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Bonds will cease to be so deposited or held or blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
 - (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Bond which is to be released or (as the case may require) the Bearer Bond or Bearer Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
 - (b) it is certified that each holder of such Bearer Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Bond or Bearer Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
 - (c) the aggregate principal amount of the Bearer Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given

that the votes attributable thereto should be cast against the resolution; and

- (d) one or more persons named in such document (each hereinafter called a “**proxy**”) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Bonds so listed in accordance with the instructions referred to in (c) above as set out in such document;
 - (iii) “**24 hours**” shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
 - (iv) “**48 hours**” shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (C) A holder of a Bearer Bond (whether in definitive form or represented by a Global Bond) may obtain a voting certificate in respect of such Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Bond by depositing such Bearer Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (B)(i)(a) or (B)(ii)(a) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (B)(ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Bondholders be deemed to be the holder of the Bearer Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Bonds.
- (D) (i) A holder of Registered Bonds (whether in definitive form or represented by a Global Bond Certificate) may, by an instrument in

writing in the English language (a “**form of proxy**”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a “**proxy**”) to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting.

- (ii) Any holder of Registered Bonds (whether in definitive form or represented by a Global Bond Certificate) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a “**representative**”) in connection with any meeting of the Bondholders and any adjourned such meeting.
- (iii) Any proxy appointed pursuant to sub-paragraph (i) above or representative appointed pursuant to sub-paragraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the holder of the Registered Bonds to which such appointment relates and the holder of the Registered Bonds shall be deemed for such purposes not to be the holder.

2. The Issuer or the Bond Trustee may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than one-tenth in nominal amount of the relevant Bonds for the time being outstanding convene a meeting of the relevant Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Bond Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Bonds prior to any meeting of such holders in the manner provided by Condition 17 (*Notices*). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Bearer Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies under block voting instructions and (ii) the holders of Registered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Bond Trustee (unless the meeting is convened by the Bond Trustee), the Issuer (unless the meeting is convened by the Issuer), (if the notice is given to the holders of a Class or

Sub-Class of Wrapped Bond) each Relevant Financial Guarantor and (if the notice is given to the holders of a Class or Sub-Class of Bonds that benefits from the BAA Bond Guarantee) to the Bond Guarantor.

4. A person (who may but need not be a Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Bondholders present shall choose one of their number to be chairman (the “**Chairman**”), failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the aggregate Principal Amount Outstanding of the relevant Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Bonds for the time being outstanding *provided that* at any meeting the business of which includes any of the following matters (each of which, a “**Basic Terms Modification**” and which shall only be capable of being effected after having been approved by Extraordinary Resolution) namely:
 - (i) to change any date fixed for payment of principal or interest in respect of any Sub-Class of Bonds, to reduce the amount of principal or interest payable on any date in respect of any Sub-Class of Bonds or (other than as specified in Conditions 7 and 8), to alter the method of calculating the amount of any payment in respect of any Sub-Class of Bonds on redemption or maturity;
 - (ii) other than pursuant to Condition 15(d), to effect the exchange, conversion or substitution of any Sub-Class of Bonds for, or their conversion into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
 - (iii) to change the currency in which amounts due in respect of any Sub-Class of Bonds are payable other than pursuant to redenomination into euro pursuant to Condition 19 (*European Economic and Monetary Union*);
 - (iv) to alter the Issuer Payment Priorities insofar as such alteration would affect any Sub-Class of Bonds provided that alterations to introduce the Subordinated Bonds will not be deemed to affect any Sub-Class of Class A Bonds or Class B Bonds;

- (v) in relation to any Sub-Class of Wrapped Bonds, to approve the release of the Relevant Financial Guarantee or the substitution of the Relevant Financial Guarantor;
- (vi) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (vii) to amend this definition or Condition 15(a) (*Meetings of Bondholders, Modifications and Waiver*),

the quorum shall be one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing not less than three-quarters of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Bond Trustee). At any adjourned meeting one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the relevant Bonds then outstanding so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present *provided that* at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing not less than one-quarter of the aggregate Principal Amount Outstanding of the relevant Bonds for the time being outstanding.
7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall, if so required by the Chairman, be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Bondholder or as a holder of a voting certificate or as a proxy or as a representative.

9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Bond Trustee or any person present holding a Definitive Bond or Individual Bond Certificates or a voting certificate or being a proxy or representative (whatever the nominal amount of the relevant Bonds so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of this Bond Trust Deed and any director or officer of the Issuer or, as the case may be, the Bond Guarantor and its or their lawyers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Any director, officer or employee of a Rating Agency may attend but not speak at any meeting at which an Extraordinary Resolution is to be proposed provided that the Bondholders present at such meeting may resolve to exclude such persons from all or any part of the meeting, including where votes are to be cast by the Bondholders. Save as aforesaid, but without prejudice to the proviso to the definition of “**outstanding**” (as set out in the Master Definitions Agreement), no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Bondholders by Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) unless he either produces the Definitive Bond or Definitive Bonds or Individual Bond Certificate of which he is the holder or a voting certificate or is a proxy or a representative. No person shall be entitled to vote (but any such person may attend and speak) at any meeting in respect of Bonds held by, for the benefit of, or on behalf of, the Issuer, the Bond Guarantor, any Subsidiary of the Issuer or the Bond Guarantor, any holding company of the Issuer or the Bond Guarantor or any Subsidiary of such holding company. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, officer or representative of or otherwise connected with the Issuer or the Bond Guarantor.

14. Subject as provided in paragraph 13 above at any meeting:
- (A) on a show of hands every person who is present in person and produces a Definitive Bond or voting certificate or is a holder of an Individual Bond Certificate or is a proxy or representative shall have one vote; and
 - (B) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in nominal amount of the Definitive Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being an Individual Bond Certificate) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Bondholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Bond from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.

18. A meeting of the Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (A) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Bond Trustee, any Appointee and the Bondholders, Receiptholders and Couponholders or any of them.
 - (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, any Appointee, the Bondholders, the Receiptholders, Couponholders, or the Issuer or against any other or others of them or against any of their property whether such rights shall arise under this Bond Trust Deed or otherwise.
 - (C) Power to waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document.
 - (D) Power to assent to any modification of the provisions of this Bond Trust Deed or any other Issuer Transaction Document which shall be proposed by the Issuer, the Bond Trustee or any Bondholder.
 - (E) Power to give any authority or sanction which under the provisions of this Bond Trust Deed is required to be given by Extraordinary Resolution.
 - (F) Power to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution and, where requested by the Bond Trustee, in relation to voting or providing directions under or in connection with the STID.
 - (G) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of this Bond Trust Deed.
 - (H) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under this Bond Trust Deed.
 - (I) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (J) Power to sanction any scheme or proposal for the exchange or sale of the Bonds for or the conversion of the Bonds into or the cancellation of the Bonds in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in

consideration of cash and for the appointment of some person with power on behalf of the Bondholders to execute an instrument of transfer of the Registered Bonds held by them in favour of the persons with or to whom the Bonds are to be exchanged or sold respectively.

19. Any resolution passed at a meeting of the Bondholders duly convened and held in accordance with this Bond Trust Deed shall be binding upon all the relevant Bondholders whether present or not present at such meeting and whether or not voting and upon all relevant Receiptholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Bondholders shall be published in accordance with Condition 17 (*Notices*) by the Principal Paying Agent on behalf of the Issuer within 14 days of such result being known *provided that* the non-publication of such notice shall not invalidate such result.
20. The expression “**Extraordinary Resolution**” when used in this Bond Trust Deed means (a) a resolution passed at a meeting of the Bondholders of a Sub-Class, Class or Classes duly convened and held in accordance with this Bond Trust Deed by a majority of not less than three-quarters of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of all the Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders.
21. Minutes of all resolutions and proceedings at every meeting of the Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (A) If and whenever the Issuer shall have issued and have outstanding Bonds of more than one Sub-Class the foregoing provisions of this Schedule shall have effect subject to the following modifications:
 - (i) a resolution which in the opinion of the Bond Trustee affects the Bonds of only one Sub-Class shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Bonds of that Sub-Class;
 - (ii) a resolution which in the opinion of the Bond Trustee affects the Bonds of more than one Sub-Class but does not give rise to a conflict of interest between the holders of Bonds of any of the Sub-Classes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Bonds of all the Sub-Classes so affected;

- (iii) a resolution which in the opinion of the Bond Trustee affects the Bonds of more than one Sub-Class and gives or may give rise to a conflict of interest between the holders of the Bonds of one Sub-Class or group of Sub-Classes so affected and the holders of the Bonds of another Sub-Class or group of Sub-Classes so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Bonds of each Sub-Class or group of Sub-Classes so affected;
 - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Bonds and Bondholders were references to the Bonds of the Sub-Class or group of Sub-Classes in question or to the holders of such Bonds, as the case may be;
 - (v) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Sub-Class of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds (to the extent that there are Bonds outstanding in each such other Sub-Class); and
 - (vi) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Sub-Class of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class (to the extent that there are Bonds outstanding ranking equally or senior to such Sub-Class) unless the Bond Trustee considers that the interests of the holders of the other Sub-Classes of Bonds ranking equally or senior to such Sub-Class would not be materially prejudiced by the implementation of such Extraordinary Resolution, and for the avoidance of doubt as regards ranking, Class B Bonds are subordinate to the Class A Bonds.
- (B) If the Issuer shall have issued and have outstanding Bonds which are not denominated in sterling in the case of any meeting of holders of Bonds of more than one currency the nominal amount of such Bonds shall (i) for the purposes of paragraph 2 above be the equivalent in sterling at the spot rate of a bank nominated by the Bond Trustee for the conversion of the relevant currency or currencies into sterling on the seventh dealing day prior to the day on which the requisition in writing is received by the Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other sterling amount as the Bond Trustee may in its absolute discretion stipulate) in nominal amount of the Bonds (converted as above) which he holds or represents.

23. Subject to all other provisions of this Bond Trust Deed the Bond Trustee may without the consent of the Issuer, the Bondholders, the Receiptholders or the Couponholders

prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

Part 2
Provisions for Voting in respect of STID Matters

1. DEFINITIONS AND INTERPRETATIONS

Defined terms and expressions used in the STID and the Master Definitions Agreement shall have the same meaning where used in this Part 2 of Schedule 6. In addition, the following expressions shall have the following meaning where used herein:

- 1.1 “**STID Matter**” means STID Proposal, Enforcement Instruction Notice, Further Instruction Notice, SSA Instruction Notice, Emergency SSA Instruction Notice or Intercreditor Instruction Notice;

“**Bonds**” means the bonds held by a Qualifying Bondholder;

“**Vote**” means an instruction from a Qualifying Bondholder to the Bond Trustee to vote on its behalf in respect of a STID Matter, such instructions to be given in accordance with this Part 2 of Schedule 6 and “**Voting**” shall be construed accordingly;

“**Voting Date**” means (i) in respect of an initial Decision Period, the last day of the relevant Decision Period and (ii) in respect of an initial Decision Period that is extended in accordance with Clause 15.2 (*Quorum Requirement for an Extraordinary Voting Matter*) of the STID, means the last date of such extended Decision Period;

“**24 hours**” means a period of 24 hours including all or part of a day (disregarding for this purpose the Voting Date) upon which banks are open for business in both London and in each of the places where the Paying Agents and the Registrar have their specified offices and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

“**Qualifying Bondholder**” means, for so long as Qualifying Borrower Senior Debt remains outstanding, the holders of each Sub-Class of Class A Unwrapped Bonds and if an FG Event of Default is continuing in respect of a Financial Guarantor, the holders of each Sub-Class of Class A Wrapped Bonds wrapped on a primary basis by such Financial Guarantor and thereafter the holders of each Sub-Class of Class B Unwrapped Bonds or if an FG Event of Default is continuing in respect of a Financial Guarantor, the holders of each Sub-Class of Class B Bonds wrapped on a primary basis by such Financial Guarantor.

- 1.2 In relation to Voting by the holders of Bearer Bonds only:

“**Block Voting Instruction**” means a document in the English language issued by a Paying Agent:

- (a) certifying that the Deposited Bonds have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
- (vii) close of business (London time) on the Voting Date; and

- (viii) the surrender to such Paying Agent, not less than 24 hours before the Voting Date of the receipt for the Deposited Bonds and notification thereof by such Paying Agent to the Bond Trustee; and
- (b) certifying that the depositor of each Deposited Bond or a duly authorised person on its behalf has instructed the relevant Paying Agent that the Votes attributable to such Deposited Bond are to be cast in a particular way on a STID Matter and that, during the period of 24 hours prior to the Voting Date, such instructions may not be amended or revoked;
- (c) listing the aggregate principal amount and (if in definitive form) the serial numbers of the Deposited Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such STID Matter; and
- (d) authorising the Bond Trustee to vote in respect of the Deposited Bonds in connection with such STID Matter in accordance with such instructions and the provisions of this Part 2 of Schedule 6,

“Deposited Bonds” means certain specified Bearer Bonds which have been deposited with a Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction.

1.3 In relation to Voting by the holders of Registered Bonds only:

“Block Voting Instruction” means a document in the English language issued by the Registrar:

- (a) certifying:
 - (i) (where the Registered Bonds are represented by a Global Bond Certificate) that certain specified Registered Bonds (each a **“Blocked Bond”**) have been blocked in an account with a clearing system and will not be released until close of business (London time) on the Voting Date and that the holder of each Blocked Bond or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to such Blocked Bond are to be cast in a particular way on a STID Matter; or
 - (ii) (where the Registered Bonds are represented by Individual Bond Certificates) that each registered holder of certain specified Registered Bonds (each a **“Relevant Bond”**) or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to each Relevant Bond held by it are to be cast in a particular way on such STID Matter; and

in each case that, during the period of 24 hours prior to the Voting Date or deferred Voting Date (as the case may be), such instructions may not be amended or revoked;

- (b) listing the aggregate principal amount of the Blocked Bonds and the Relevant Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such STID Matter; and
- (c) authorising the Bond Trustee to vote in respect of the Blocked Bonds and the Relevant Bonds in connection with such STID Matter in accordance with such instructions and the provisions of this Part 2 of Schedule 6.

2. **STID PROPOSALS AND OTHER STID MATTERS**

- 2.1 On receipt of a STID Voting Request from the Borrower Security Trustee in respect of a STID Proposal that gives rise to an Entrenched Right in respect of which the Issuer is an Affected Borrower Secured Creditor, the Bond Trustee shall forthwith, in accordance with the provisions of Part 1 of Schedule 6, convene a meeting of the holders of each Class, Sub-Class or Tranche of Unwrapped Bonds and, if an FG Event of Default is continuing in respect of a Financial Guarantor or in respect of an Entrenched Right which constitutes a Basic Terms Modification, the holders of each Class, Sub-Class or Tranche of Wrapped Bonds (in the case of an FG Event of Default that is continuing, wrapped on a primary basis by such Financial Guarantor), then outstanding and affected by such Entrenched Right. The Bond Trustee shall notify the Borrower Security Trustee in writing of whether or not the holders of each Class, Sub-Class or Tranche of Bonds affected by such Entrenched Right have passed an Extraordinary Resolution approving the relevant STID Proposal for the purposes of Clause 16.1 (*Scope of Entrenched Rights*) of the STID.
- 2.2 On receipt of a STID Voting Request from the Borrower Security Trustee in respect of an Ordinary Voting Matter or Extraordinary Voting Matter or other STID Matter (whether or not it also gives rise to an Entrenched Right in respect of which the Issuer is an Affected Borrower Secured Creditor necessitating the convening of a meeting of Bondholders in accordance with paragraph 2.1 of this Part 2 of Schedule 6), the Bond Trustee shall promptly send a copy of such notice to the Qualifying Bondholders in accordance with Condition 17 (*Notices*).
- 2.3 Each Qualifying Bondholder may only vote by way of Block Voting Instruction. No physical meetings of Qualifying Bondholders will be held in respect of any Vote (other than in respect of a STID Proposal that gives rise to an Entrenched Right in respect of which the Issuer is an Affected Borrower Secured Creditor).
- 2.4 For the purposes of determining the Votes cast on a STID Matter by a Qualifying Bondholder, each Qualifying Bondholder shall have one vote in respect of each £1 (or its equivalent expressed in sterling on the basis of the Exchange Rate) of Principal Amount Outstanding of Bonds held or represented by it.
- 2.5 Each Qualifying Bondholder must vote on or prior to close of business (London time) on the Voting Date.
- 2.6 The Bond Trustee shall vote as the Secured Creditor Representative of the Issuer in respect of a STID Proposal or other STID Matter by promptly notifying the Borrower

Security Trustee, in accordance with Clause 12.7 (*STID Voting Request*) of the STID, of all Votes received by it from Qualifying Bondholders on or prior to the Voting Date.

- 2.7 Any Ordinary Resolution or Extraordinary STID Resolution duly approved by the Qualifying Borrower Secured Creditors or instruction given in respect of an Instruction Notice, Further Instruction Notice, SSA Instruction Notice, SSA Emergency Instruction Notice or Intercreditor Instruction Notice shall be binding on all Bondholders, Receiptholders and Couponholders (subject as provided in Clause 16 (*Entrenched Rights*) of the STID). The Bond Trustee shall, following receipt from the Borrower Security Trustee of the result of any vote in respect of a STID Voting Request, promptly notify the Issuer and the Bondholders in accordance with Condition 17 (*Notices*).
- 2.8 For so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor, in respect of any STID Matter each Relevant Financial Guarantor will vote in respect of the entire Principal Amount Outstanding of the Class A Bonds wrapped on a primary basis by it and to the extent there are no Class A Bonds then outstanding, each Relevant Financial Guarantor will vote in respect of the entire Principal Amount Outstanding of the Class B Bonds wrapped on a primary basis by it provided that the holders of the Wrapped Bonds will be entitled to vote in respect of Entrenched Rights in respect of which the Issuer is an Affected Borrower Secured Creditor in accordance with paragraph 2.1 of this Part 2 of Schedule 6. Each Relevant Financial Guarantor must vote by providing a direction directly to the Borrower Security Trustee as a Secured Creditor Representative of the Issuer in respect of the relevant Class, Sub-Class or Tranche of Wrapped Bonds in accordance with the STID.

3. **ISSUE OF BLOCK VOTING INSTRUCTIONS**

3.1 **Bearer Bonds**

The holder of a Bearer Bond may require any Paying Agent to issue a Block Voting Instruction by depositing such Bearer Bond with such Paying Agent or arranging for such Bearer Bond to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system not later than 24 hours before the Voting Date. A Block Voting Instruction shall be valid until the release of the Deposited Bonds to which it relates. So long as a Block Voting Instruction is valid, the Bond Trustee shall be deemed to be the holder of the Bearer Bonds to which it relates for all purposes in connection with voting in respect of a STID Matter.

3.2 **Registered Bonds**

Where a Registered Bond is represented by a Global Bond Certificate, the holder of such Registered Bond may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction the Registrar) for such Registered Bond to be blocked in an account with a clearing system not later than 24 hours before the Voting Date. The holder of a Individual Bond Certificate may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 24 hours before the Voting Date.

4. REFERENCES TO DEPOSIT/RELEASE OR BLOCKING/RELEASE OF BONDS

4.1 Bearer Bonds

Where Bearer Bonds are represented by a Temporary Global Bond and/or a Permanent Global Bond or are held in definitive form within a clearing system, references to the deposit, or release, of Bearer Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system; or

4.2 Registered Bonds

Where Registered Bonds are represented by a Global Bond Certificate, references to the blocking, or release, of Registered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY

5.1 Bearer Bonds

A Block Voting Instruction in relation to Bearer Bonds shall be valid only if it is deposited at the specified office of the relevant Paying Agent or at some other place approved by the Bond Trustee, at least 24 hours before the Voting Date. The Bond Trustee shall not be obliged to investigate the validity of any Block Voting Instruction.

5.2 Registered Bonds

Block Voting Instructions in relation to Registered Bonds shall be valid only if deposited at the specified office of the Registrar or at some other place approved by the Bond Trustee, at least 24 hours before the Voting Date. The Bond Trustee shall not be obliged to investigate the validity of any Block Voting Instruction.

6. RECORD DATE

The Bond Trustee may fix a record date for the holders of Registered Bonds provided that such record date is not more than 10 days prior to the Voting Date. The person in whose name a Registered Bond is registered in the Register on the record date at close of business in the city in which the Registrar has its specified office shall be deemed to be the holder of such Bond for the purposes of Voting on a STID Matter and notwithstanding any subsequent transfer of such Bond or entries in the relevant Register.

7. VALIDITY OF VOTES BY THE BOND TRUSTEE

7.1 Any vote cast by the Bond Trustee (as Secured Creditor Representative of the Issuer in respect of the Qualifying Bondholders) in accordance with the relevant Block Voting Instruction in relation to either Bearer Bonds or Registered Bonds shall be valid even if such Block Voting Instruction has been amended, revoked or re-issued, provided that the Bond Trustee has not been notified in writing of such amendment, revocation or re-issue by the time which is 24 hours before the Voting Date.

- 7.2 Unless revoked, any appointment of the Bond Trustee under a Block Voting Instruction shall remain in force if the Decision Period is extended in accordance with Clause 15.2 (*Quorum Requirement for an Extraordinary Voting Matter*) of the STID.

SCHEDULE 7
FORM OF ACCESSION MEMORANDUM

THIS DEED dated [•] is supplemental to the trust deed (the “**Bond Trust Deed**”) dated [•] August 2008 and made between BAA Funding Limited as Issuer, BAA Limited as the Bond Guarantor and Deutsche Trustee Company Limited as Bond Trustee (as the same may from time to time be modified, restated, novated and/or supplemented).

Words and expressions defined in the Bond Trust Deed have the same meanings when used in this Deed.

[*Financial Guarantor*] (the “**Financial Guarantor**”) of [*address*] hereby agrees with each other person who is or who becomes a party to the Bond Trust Deed that with effect from the date on which the provisions of Clause 26 (*New Financial Guarantor*) of the Bond Trust Deed have been complied with the Financial Guarantor will become a party to and be bound by and benefit from the Bond Trust Deed as a Financial Guarantor.

The address for notices to the Financial Guarantor are as follows:

[*address*]

This Deed and all matters relating from or connected with it is governed by, and shall be construed in accordance with, English law.

The parties have executed this Deed as a deed and intend to deliver and do deliver this Deed on the date stated above.

ISSUER

EXECUTED as a deed by)
BAA FUNDING LIMITED)
acting by)

[Director]

[Director / Secretary]

BOND GUARANTOR

EXECUTED as a deed by)
BAA LIMITED)
acting by)

[Director]

[Director / Secretary]

NEW FINANCIAL GUARANTOR

EXECUTED as a deed by)

[*New Financial Guarantor*])

[Director]

[Director / Secretary]

BOND TRUSTEE

THE COMMON SEAL of)

DEUTSCHE TRUSTEE COMPANY)

LIMITED was affixed to this deed)

in the presence of:)

[Director]

[Director / Secretary]