LAND SECURITIES CAPITAL MARKETS PLC

(*incorporated in England and Wales with limited liability under registered number 5193511*)

£7,000,000,000

Multicurrency Programme for the issuance of Notes

By a resolution of the Board of Directors of Land Securities Capital Markets PLC (the "**Issuer**") passed on 29 October 2004 it was resolved to authorise the establishment by the Issuer of a £4,000,000,000 multicurrency programme for the issuance of Notes (the "**Programme**"). By a resolution of the Issuer passed on 23 July 2018 it was resolved to increase the Maximum Amount (as defined below) to £7,000,000,000. The update of the Programme for 2022 has been duly authorised by a resolution of the Issuer passed on 14 July 2022. This Base Prospectus supersedes any Base Prospectus with respect to the Programme issued prior to the date hereof. Any Notes (as defined below) issued under the Programme after the date of this Base Prospectus are issued subject to the provisions described herein. The provisions described herein do not affect Notes issued prior to the date of this Base Prospectus.

Notes issued under the Programme on the same date will comprise a Series and may comprise one or more Classes, each Class being accorded a particular ranking in point of security. First ranking Notes will be designated as "**Class A Notes**" or (if issued pursuant to a Class R Underwriting Agreement as Class R1 Notes) "**Class R1 Notes**" (together with the Class A Notes, the "**Priority 1 Notes**"), second ranking Notes will be designated as "**Class B Notes**" or (if issued pursuant to a Class R Underwriting Agreement as Class R2 Notes) "**Class R2 Notes**" (the Class R2 Notes, together with the Class R1 Notes, the "**Class R Notes**" and the Class R2 Notes, together with the Class B Notes, the "**Priority 2 Notes**") and any other Notes issued in any Class or Classes of Notes will be designated (as further described herein) as ranking below the Priority 2 Notes, the "**Subordinated Notes**".

Each Class of Notes may be issued in separate Sub-Classes, with the Notes in each Sub-Class having, among other things, different currency, interest rate and maturity terms to the Notes of other Sub-Classes within that Class of Notes. Each Sub-Class may be, among other things, fixed rate, floating rate, index-linked, zero-coupon Notes, with differing maturities, redemption profiles and interest payment dates, and may be denominated in sterling, euro, U.S. dollars or other currency, in each case, as specified in the relevant Final Terms relating to such Sub-Class. Each Sub-Class of Notes within a Class will rank *pari passu* with all other Sub-Classes of Notes within such Class in point of security.

Notes issued under the Programme will have a minimum denomination of at least €100,000 (or equivalent in any other currency).

The Programme was first listed on the Official List (the "**Official List**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") on 2 November 2004. Notes may be issued under the Programme on a continuing basis to one or more of the Dealers specified in Chapter 19 "*Subscription and Sale",* page 367 below, and to any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue of Notes or on an ongoing basis. The Issuer may from time to time issue Class R Notes to Class R Underwriters in accordance with the provisions set out in Chapter 19 "*Subscription and Sale",* page 367 below.

Notes issued under the Programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or jurisdiction of the United States, and may include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered or sold, or in the case of Notes in bearer form, delivered within the United States to, or for the account or benefit of, U.S. persons, as defined in Regulation S ("Regulation S") under the Securities Act ("U.S. persons"), except in certain transactions exempt from the registration requirements of the Securities Act. Notes in registered form issued under the Programme may be offered or sold within the United States only to certain qualified institutional buyers ("QIBs") as defined in, and in reliance on, Rule 144A under the Securities Act ("Rule 144A") and outside the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act ("Regulation S") Notes in bearer form issued under the Programme may be offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S.

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market.

References in this Base Prospectus to Notes being listed in Ireland (and all related references) shall mean that such Notes have been admitted to the Official List and trading on Euronext Dublin's regulated market. Euronext Dublin's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, "**EU MIFID II**").

The Programme provides that Notes may be admitted to trading or listed on such other stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue Notes which have not been admitted to trading or listed. This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of EU MIFID II or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**"). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Under the Programme, the Issuer may, subject to all applicable legal and regulatory requirements, from time to time issue Notes in the form of Bearer Notes and/or Registered Notes.

Details of the aggregate principal amount, interest payable (if any), the issue price and certain other information which is applicable to each Sub Class of Notes will be set out in Final Terms which, in the case of Notes to be admitted to the Official List and to trading on Euronext Dublin regulated market and/or listed on Euronext Dublin, will be delivered to Euronext Dublin on or before the relevant date of issue of the Notes of such Sub-Class.

If any withholding or deduction for or on account of tax is applicable to any payment of interest on, and principal and premium (if any) on, the Notes, such payment will be made subject to any such withholding or deduction, without the Issuer being obliged to pay any additional amount in consequence thereof.

For a discussion of certain risk factors regarding the Notes that should be considered by prospective purchasers of the Notes, see Chapter 2, "*Risk Factors***" page 42 below.**

Arranger

NatWest Markets

Dealers

Bank of China
BNP PARIBAS
Citigroup
Lloyds Bank Corporate Markets
NatWest Markets
Santander Corporate & Investment Banking
SMBC Nikko

Base Prospectus dated 20 July 2022

Copies of each set of Final Terms will be available (in the case of all Notes) from the specified office set out below of the Note Trustee and (in the case of the Bearer Notes) from the specified office set out herein of each of the Paying Agents and (in the case of the Registered Notes) from the specified office set out herein of each of the Registrar and the Transfer Agents. Copies of the Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin (https://live.euronext.com/).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme (the "**Maximum Amount**") will not exceed £7,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The exclusive source of funds for the payment of principal and interest on the Notes will be the Issuer's right to receive payments of interest and repayments of principal on advances made under the Intercompany Loan Agreement between, *inter alios*, the Issuer, FinCo and the Note Trustee.

The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Base Prospectus and any Final Terms. It should be noted, in particular, that the Notes will not be the obligations or responsibilities of, and will not be guaranteed by, the Arranger, the Dealers, the Note Trustee, the Paying Agents, any Swap Counterparty, any Liquidity Facility Provider, the Account Bank, the Class R Underwriters, the Class R Agent, the Cash Manager, the Obligor Security Trustee, FinCo, HoldCo, the Obligors, Land Securities PLC, Land Securities Group PLC or any other company (other than the Issuer) in the same group of companies as, or affiliated to, Land Securities Group PLC.

Any Class A Notes or Class R1 Notes issued are expected upon issue to be rated AA- by Fitch and AA by S&P Global Ratings UK Limited (assuming there are no changes in any relevant circumstances). Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for EEA regulatory purposes, if such rating is not issued by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) (the "**EU CRA Regulation**") unless (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation. Similarly, UK regulated investors are restricted from using a rating for UK regulatory purposes if such rating is not issued by a credit rating agency established in the UK for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**").

Each of Fitch Ratings Limited and S&P Global Ratings UK Limited is established in the United Kingdom and is registered in accordance with the UK CRA Regulation. Neither Fitch Ratings Limited nor S&P Global Ratings UK Limited is established in the EEA or has applied for registration under the EU CRA Regulation. The ratings issued by Fitch Ratings Limited and S&P Global Ratings UK Limited have been endorsed by Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited, respectively, in accordance with the EU CRA Regulation. Each of Fitch

Ratings Ireland Limited and S&P Global Ratings Europe Limited is established in the EEA and registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited and S&P Global Ratings Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each credit rating should be evaluated independently of any other rating and, among other things, will depend on the performance of the business of the Security Group from time to time.

If the Final Terms in relation to a Sub-Class of Bearer Notes specify that the TEFRA C Rules are applicable to such Sub-Class, the Bearer Notes of such Sub-Class will be represented by a Permanent Global Note, which will be deposited with a common depositary or a common safekeeper (if the Sub-Class of Bearer Notes are intended to be issued in new global note ("**NGN**") form) for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable in certain limited circumstances in whole, but not in part, for Definitive Notes, as further described in Chapter 15 "*Form of the Notes*", page 349, below.

If the Final Terms in relation to a Sub-Class of Bearer Notes specify that the TEFRA D Rules are applicable to such Sub-Class, the Bearer Notes of such Sub-Class will initially be represented by a Temporary Global Note, which will be deposited with a common depositary or common safekeeper (if the Sub-Class of Bearer Notes are intended to be issued in NGN form) for Euroclear and Clearstream, Luxembourg and exchangeable for either a Permanent Global Note or Definitive Notes, upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and thereafter any Permanent Global Note may be exchanged, in whole but not in part, for Definitive Notes, all as further described in Chapter 15 "*Form of the Notes*", page 349, below.

Registered Notes of each Class which are offered and sold within the United States to QIBs in reliance on Rule 144A will be represented by a Global Note Certificate in registered, restricted form which will be registered in the name of a nominee of the common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Note Certificate may be exchanged for Individual Note Certificates evidencing holdings of Notes in certain limited circumstances, as further described in Chapter 15 "*Form of the Notes*", page 349, below.

The Issuer may agree with any Dealer and the Note Trustee that Notes may be issued in a form not contemplated by this Base Prospectus or the Conditions herein, in which event (in the case of Notes admitted to trading on the regulated market of Euronext Dublin and/or listed on Euronext Dublin only) a supplement to the Base Prospectus or a new Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

Amounts payable on Floating Rate Notes will be calculated by reference to one of Euro Inter-Bank Offered Rate ("**EURIBOR**") or the Sterling Overnight Index Average ("**SONIA**") (as specified in the applicable Final Terms), which are administered by the European Money Markets Institute and the Bank of England, respectively. As far as the Issuer is aware, as at the date of this Base Prospectus, European Money Markets Institute, as administrator of EURIBOR is included in the register (the "**ESMA Benchmarks Register**") established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") and in the register (the "**FCA Benchmarks Register**") established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union Withdrawal Act 2018 (the "**UK Benchmarks Regulation**"). The Bank of England, as administrator of SONIA, is excluded from the scope of the UK Benchmarks Regulation and the EU Benchmarks Regulation by virtue of Article 2 of the UK Benchmarks Regulation and the EU Benchmarks Regulation, respectively.

IMPORTANT NOTICE

This Base Prospectus should be read and construed together with any supplement to the Base Prospectus and, in relation to any Sub-Class of Notes, should be read and construed together with the relevant Final Terms.

Capitalised terms used in this Base Prospectus or any Final Terms, unless otherwise indicated, have the meanings set out in the glossary of defined terms which appears at the back of this Base Prospectus.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

RISK FACTORS

A discussion of certain factors, which should be considered in connection with an investment in the Notes, is set out in Chapter 2, "*Risk Factors*" page 42 below.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Obligors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Notes should consult its own independent professional advisers.

Persons Responsible

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Sub-Class of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Each of Land Securities Group PLC and Land Securities PLC accepts responsibility for the Land Securities Information. To the best of the knowledge of Land Securities Group PLC and Land Securities PLC, the Land Securities Information is in accordance with the facts and makes no omission likely to affect its import.

CBRE Limited accepts responsibility for the information contained in Chapter 12 (*Valuation of the Estate*) (the "**CBRE Valuation Information**"). To the best of the knowledge of CBRE Limited, the CBRE Valuation Information is in accordance with the facts and makes no omission likely to affect its import.

Third Party Information

The CBRE Valuation Information has been provided by CBRE Limited. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by CBRE Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading.

REPRESENTATIONS ABOUT THE NOTES

No person has been authorised in connection with the issue and sale of Notes to make any representation or provide any information other than as contained in this Base Prospectus or any other document entered into in relation to the Programme. Any such representation or information, if given or made, should not be relied upon as having been authorised by any of the direct or indirect subsidiaries of Land Securities Group PLC (including the Issuer, FinCo and any other Obligor) (together the "**Landsec Group**"), the directors of the Issuer or of any member of the Landsec Group, the Arranger, the Dealers or the Class R Underwriters.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers, the Note Trustee or the Obligor Security Trustee as to the accuracy or completeness of the information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution. Each person receiving this Base Prospectus acknowledges that such person has not relied on the Arranger, the Dealers, the Note Trustee or the Obligor Security Trustee nor any other person affiliated with any of them in connection with any investigation of the accuracy of such information or its investment decision. The statements in this paragraph are without prejudice to the responsibility of the Issuer, Land Securities Group PLC and Land Securities PLC referred to under "*Persons Responsible*" above.

FINANCIAL CONDITION OF THE ISSUER, THE SECURITY GROUP AND THE LANDSEC GROUP

Neither the delivery of this Base Prospectus or any Final Terms nor the offer, sale, allocation, solicitation or delivery of any Note shall in any circumstances create any implication or constitute a representation that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, the Obligors, the Security Group (as a whole) or the Landsec Group (as a whole) or the information contained herein since the date of this Base Prospectus.

None of the Authorised Signatories or directors of the Issuer or the Obligors shall be personally liable in respect of any certificate issued on behalf of any of the Obligors pursuant to or in accordance with any Transaction Document.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated in, and form part of, this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

SUMMARY OF SELLING RESTRICTIONS

Neither this Base Prospectus nor any part hereof nor any Final Terms constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Base Prospectus or any Final Terms and the offer, sale and delivery of Notes in certain jurisdictions may be restricted by law. None of the Issuer, any other member of the Landsec Group and the Dealers represents that Notes may at any time be lawfully sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for such sale. No action has been taken by the Issuer, any other member of the Landsec Group, the Arranger or the Dealers (save for the approval of this document as a Base Prospectus by the Central Bank) which would permit a public offering of any Notes to be issued under this Base Prospectus or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, or in the case of Bearer Notes, delivered directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession the whole or any part of this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about, and to observe, any such restrictions.

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States. Accordingly, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The Notes may include Notes in bearer form that are subject to United States tax law requirements. Each purchaser of Restricted Notes will be deemed to have made the representations, warranties, acknowledgements and agreements that are described in this Base Prospectus under "−Transfer Restrictions", page 11, below. Prospective Purchasers of Restricted Notes are hereby notified that sellers of the Restricted Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation EU 2017/1129 (the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MiFID II product governance / target market

The Final Terms in respect of any Notes may include a legend entitled "EU MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MIFID Product Governance Rules.

UK MiFIR product governance / target market

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in

respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

In relation to any Notes which have a maturity of less than one year, the Issuer has not authorised any offer or sale of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer.

For so long as any of the Restricted Notes offered hereby remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and the Issuer is neither subject to Section 13 or 15(d) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, the Issuer will furnish to any holder or beneficial owner of Restricted Notes and prospective purchasers of Restricted Notes designated by any such holder or beneficial owner of Restricted Notes, upon request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Base Prospectus or any Final Terms and other material relating to the Notes, see Chapter 19. "*Subscription and Sale*", page 367, below.

CURRENCY

In this Base Prospectus, unless otherwise specified, references to "**£**" and "**sterling**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland, references to "**$**" and "**U.S. dollars**" are to the lawful currency for the time being of the United States of America, and references to "**€**" and "**euro**" are to the lawful currency of Member States of the European Economic and Monetary Union that have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam.

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements as defined under U.S. law (Section 21E of the United States Securities Exchange Act of 1934, as amended). These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "target", "expect", "interim", "believe"

or other words of similar meaning. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. Accordingly, there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to (a) risks and uncertainties relating to the United Kingdom economy, changes in political and economic conditions or in specific industry segments; declines in property values; variations in supply of and demand for commercial office space or retail space (or commercial office space or retail space of (in each case) a particular type); declines in rental or occupancy rates; increases in interest rates; changes in rental terms including the tenants' responsibility for operating expenses; falling turnover of those retail tenants who pay a rent wholly or partly calculated by reference to their turnover; fluctuation in the availability of property financing for properties such as the Mortgaged Properties and (b) such other risks and uncertainties detailed herein. All written and oral forward-looking statements attributable to the Security Group and the Issuer or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Prospective Noteholders are cautioned not to put undue reliance on such forward-looking statements. The Security Group and the Issuer will not undertake any obligation to publish any revisions to these forward-looking statements to reflect circumstances or events occurring after the date of this Base Prospectus.

STABILISATION

In connection with the issue of any Sub-Class of Notes, the person(s) (if any) named as the Stabilisation Manager(s) or persons acting on behalf of any Stabilisation Manager(s) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Sub-Class of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Sub-Class of Notes and 60 days after the date of the allotment of the relevant Sub-Class of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

SUPPLEMENT TO THE BASE PROSPECTUS

This Base Prospectus is valid for 12 months. In the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Copies of any supplement to this Base Prospectus will be made available by the Issuer free of charge at its registered office, electronically at https://landsec.com/investors/debt-investors/corporate-debt-structure and at the specified offices of its Paying Agents for the life of this Base Prospectus, commencing on the date of the issue of the supplement to this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank shall be incorporated in, and form part of, this Base Prospectus:

(a) the Land Securities Group PLC Annual Report for the financial years ending 31 March 2021 and 31 March 2022 (which contain the audited financial statements of the Landsec Group), which are available for viewing at https://landsec.com/sites/default/files/2021-06/Landsec_AR2021_Interactive_Final.pdf and https://landsec.com/sites/default/files/2022-06/Landsec%20AR%202022%20Interactive_FINAL.pdf respectively, including the information set out at the following pages in particular:

	Financial year ending 31 March 2021	**Financial year ending 31 March 2022**
Independent Auditor's Report.....	Pages 146 to 153	Pages 134 to 140
Income Statement	Page 154	Page 141
Statement of comprehensive income	Page 155	Page 141
Balance sheets	Page 156	Page 142
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** these sections of the Annual Report have not been audited*

(b) the audited financial statements of Land Securities Capital Markets PLC in respect of the financial years ending 31 March 2021 and 31 March 2022 which are available for viewing at https://landsec.com/investors/debt-investors/corporate-debt-structure, including the information set out at the following pages in particular:

	Financial year ending 31 March 2021	Financial year ending 31 March 2022
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(c) the audited financial statements of LS Property Finance Company Limited in respect of the financial years ending 31 March 2021 and 31 March 2022 which are available for viewing at https://landsec.com/investors/debt-investors/corporate-debt-structure, including the information set out at the following pages in particular:

	Financial year ending 31 March 2021	Financial year ending 31 March 2022
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(d) the Terms and Conditions of the Notes contained in the Base Prospectus dated 2 November 2004 prepared by the Issuer in connection with the Programme (pages 198-230 (inclusive)), which is available for viewing at https://landsec.com/investorsdebt-investors/corporate-debt-structure;

(e) the Terms and Conditions of the Notes contained in the Base Prospectus dated 18 September 2006 prepared by the Issuer in connection with the Programme (pages

209-244 (inclusive)) which is available for viewing at https://landsec.com/investorsdebt-investors/corporate-debt-structure;

(f) the Terms and Conditions of the Notes contained in the Base Prospectus dated 15 July 2016 prepared by the Issuer in connection with the Programme (pages 227-268 (inclusive)) which is available for viewing at https://landsec.com/investorsdebt-investors/corporate-debt-structure; and

(g) the Terms and Conditions of the Notes contained in the Base Prospectus dated 2 August 2017 prepared by the Issuer in connection with the Programme (pages 227-269 (inclusive)) which is available for viewing at https://landsec.com/investorsdebt-investors/corporate-debt-structure.

Any non-incorporated parts of a document referred to herein are either not relevant for an investor or are covered elsewhere in this Base Prospectus.

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Schedules

Chapter 1
Transaction Overview

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Class of Notes, the applicable Final Terms.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation.

Overview of Parties

Issuer:	Land Securities Capital Markets PLC is a public company with limited liability incorporated under the laws of England and Wales with registered number 05193511 and whose registered office is at 100 Victoria Street, London SW1E 5JL. On the date of this Base Prospectus, the issued share capital of the Issuer is £50,000, £49,998 of which is beneficially held by Land Securities PLC and £2 which is beneficially held by Land Securities Portfolio Management Limited. The ultimate parent for these companies is Land Securities Group PLC. The Issuer is a special purpose company with no employees or premises and limited permitted activities. Its principal activities comprise issuing Notes from time to time under the Programme and on-lending the proceeds thereof to FinCo pursuant to the Intercompany Loan Agreement.
Issuer Legal Entity Identifier ("LEI"):	213800ZNMO2OSVLXAK89
FinCo:	LS Property Finance Company Limited is a private limited company incorporated under the laws of England and Wales with registered number 05163698 and whose registered office is at 100 Victoria Street, London SW1E 5JL. On the date of this Base Prospectus, the issued share capital of FinCo is £100, all of which is beneficially held by Land Securities PLC. FinCo's principal activities comprise entering into the Intercompany Loan Agreement with the Issuer, ACF Agreements with ACF Providers, if applicable, Swap Agreements with the Swap Counterparties and, if applicable, Liquidity Facility Agreements with Liquidity Facility Providers, and, in each case, performing its obligations thereunder; and on-lending the proceeds of any loans from the Issuer or any ACF Provider to Land Securities (Finance) Limited ("**LSF**") or any other Obligor.

FinCo LEI:	213800Q1EQWHUJR2SL22
Land Securities PLC:	Land Securities PLC is a public company with limited liability incorporated under the laws of England and Wales with registered number 00551412 and whose registered office is at 100 Victoria Street, London SW1E 5JL. As at the date of this Base Prospectus, the issued share capital of Land Securities PLC is £530,791,386 (divided into 530,791,385 ordinary shares of £1 each and 1 deferred ordinary share of £1), all of which is beneficially held by Land Securities Intermediate Limited ("**HoldCo**"), a wholly owned subsidiary of Land Securities Group PLC apart from one ordinary share, legal title to which is held by Land Securities Group PLC
LS London Holdings One Limited	LS London Holdings One Limited is a private limited company incorporated in England and Wales with registered number 06452679 and whose registered office is at 100 Victoria Street, London SW1E 5JL. The issued share capital of LS London Holdings One Limited is £1,002,500,000, all of which is beneficially held by Land Securities PLC.
HoldCo:	Land Securities Intermediate Limited is a private limited company incorporated in England and Wales with registered number 05075691 and whose registered office is at 100 Victoria Street, London SW1E 5JL. The issued share capital of HoldCo is £1,000,002, all of which is beneficially held by Land Securities Group PLC.
Land Securities (Finance) Limited:	Land Securities (Finance) Limited is a private limited company incorporated in England and Wales with registered number 00680609 and whose registered office is at 100 Victoria Street, London SW1E 5JL. The issued share capital of Land Securities (Finance) Limited is £500,000,002, which is divided into £500,000,001 ordinary shares which is beneficially held by Land Securities PLC and 1 ordinary share held by Land Securities Portfolio Management Limited.
Security Group:	The Security Group (being HoldCo and its subsidiaries except the Issuer) comprises the Obligors listed in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) to this Base Prospectus, page 379, below, together with any Additional Obligors, in each case unless and until such entities have become Released Obligors. Each of the Obligors (in the case of any Additional Obligor, upon accession to the Common Terms Agreement, the Security Trust and Intercreditor Deed, the Obligor Floating Charge Agreement, the Tax Deed of Covenant, the Servicing

Agreement and the Account Bank and Cash Management Agreement and execution of the relevant Obligor Security Documents) has granted (or will grant) security in favour of the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed and the Issuer pursuant to the Obligor Floating Charge Agreement.

Land Securities Group PLC:

Land Securities Group PLC is a public company with limited liability incorporated under the laws of England and Wales with registered number 04369054 and whose registered office is at 100 Victoria Street, London SW1E 5JL, the ordinary share capital of which is listed by the Financial Conduct Authority and is traded on the London Stock Exchange.

Land Securities Group PLC is the ultimate parent of the Landsec Group.

The Landsec Group and Non-Restricted Group:

The Landsec Group comprises Land Securities Group PLC and each of its direct and indirect subsidiaries (including the Issuer and the Obligors). Any member of the Landsec Group that is neither the Issuer nor an Obligor is a Non Restricted Group Entity.

None of the Non-Restricted Group Entities provides guarantees in respect of FinCo's or any other Obligor's obligations under the Intercompany Loan Agreement or under any ACF Agreement. The Notes are not obligations or responsibilities of, and are not being guaranteed by, Land Securities Group PLC or any other Non-Restricted Group Entity.

Note Trustee:

Deutsche Trustee Company Limited, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, has been appointed as trustee for the holders from time to time of the Notes pursuant to the Trust Deed. The Note Trustee also holds the security granted by the Issuer under the Issuer Deed of Charge on trust for all of the Issuer Secured Creditors.

The Trust Deed provides that the Note Trustee may retire by giving not less than three months' notice to the Issuer of its intention to do so or may be removed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes. Such retirement or removal will be effective once a successor Note Trustee has been appointed by the Issuer. If the Issuer has not procured a successor Note Trustee within 30 days of

expiry of the notice of the Note Trustee's intention to retire, the Note Trustee may procure a successor Note Trustee.

Obligor Security Trustee: Deutsche Trustee Company Limited, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, is appointed as security trustee pursuant to the Security Trust and Intercreditor Deed. The Obligor Security Trustee holds the security granted by the Obligors under each of the Obligor Security Documents (other than the Obligor Floating Charge Agreement) on trust for all Obligor Secured Creditors.

The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee may retire by giving not less than three months' notice to the Obligors of its intention to do so or may be removed by way of a Secured Creditor Instruction. Such retirement or removal will be effective once a successor Obligor Security Trustee has been appointed by the Obligor Secured Creditors. If the Obligor Secured Creditors have not procured a successor Obligor Security Trustee within 30 days of expiry of the notice of the Obligor Security Trustee's intention to retire, the Obligor Security Trustee may procure a successor Obligor Security Trustee.

Account Bank: Lloyds Bank plc, acting through its City Office branch at Bailey Drive, Gillingham Business Park, Gillingham, Kent ME8 0LS, is appointed as account bank to the Issuer, FinCo and the other Obligors and maintains certain accounts on behalf of each of the Issuer, FinCo and the other Obligors pursuant to the Account Bank and Cash Management Agreement.

The Issuer is required under the Account Bank and Cash Management Agreement to maintain the Issuer Account with a bank which has at least the Minimum Short Term Ratings and the Minimum Long Term Ratings. Lloyds Bank plc has, on the date of this Base Prospectus, the Minimum Short Term Ratings and the Minimum Long Term Ratings.

Cash Manager: Land Securities (Finance) Limited, a member of the Security Group, whose registered office is at 100 Victoria Street, London SW1E 5JL, is appointed as cash manager to the Obligors and the Issuer and provides cash management services to the Obligors and the Issuer pursuant to the Account Bank and Cash Management Agreement.

Servicer: Land Securities Properties Limited, a member of the Non-Restricted Group, whose registered office is at 100 Victoria Street, London SW1E 5JL, is appointed to provide certain

	services to the Security Group pursuant to the Servicing Agreement.
Swap Counterparties:	Certain financial institutions act as swap counterparties under Swap Agreements into which the Obligors will enter, or have already entered (the "**Swap Agreements**"), to manage the Security Group's interest rate and currency exposure. The Obligors are required to ensure that any swap agreement entered into in connection with their floating rate and/or currency liabilities is entered into with an entity having the Swap Counterparty Minimum Short Term Ratings and the Swap Counterparty Minimum Long Term Ratings.
Dealers:	Banco Santander, S.A., Bank of China Limited, London Branch, BNP Paribas, Citigroup Global Markets Limited, Lloyds Bank Corporate Markets plc, NatWest Markets Plc and SMBC Nikko Capital Markets Limited act as dealers pursuant to the Dealership Agreement, either generally with respect to the Programme or in relation to a particular Sub Class, Class or Series of Notes (other than any Class R Notes).
ACF Providers:	The lenders who have provided or will provide a credit facility to FinCo pursuant to an ACF Agreement.
Principal Paying Agent and Agent Bank:	Deutsche Bank AG, London Branch, acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, provides certain services to the Issuer as principal paying agent and agent bank pursuant to the terms of the Agency Agreement.
Irish Paying Agent:	Apex Fund Services (Ireland) Limited, acting through its office at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin D01 P767, acts as the Irish paying agent pursuant to the terms of the Agency Agreement.
Registrars:	Deutsche Bank Trust Company Americas and Equiniti Limited act as registrars and provide certain registrar services to the Issuer in respect of Registered Notes pursuant to the terms of the Agency Agreement.
Transfer Agents:	Deutsche Bank AG, London Branch acts as the principal transfer agent and, together with any other Transfer Agents appointed pursuant to the Agency Agreement, provides certain transfer agency services to the Issuer in respect of Registered Notes pursuant to the terms of the Agency Agreement.

Arranger: NatWest Markets plc, acting through its office at 250 Bishopsgate, London EC2M 4AA, acts as sole arranger of the Programme.

The members of the Landsec Group are related to each other as set out above and as indicated in the diagram "*Corporate Structure of the Landsec Group*", page 60. None of the members of the Landsec Group is owned or controlled by any of the Note Trustee, the Obligor Security Trustee, the Account Bank, the Dealers, existing ACF Providers, the Principal Paying Agent and Agent Bank, the Irish Paying Agents, the Registrars, the Transfer Agents or the Arranger.

Key Documents

Common Terms Agreement: The Issuer, FinCo, all other Obligors, the Note Trustee, the Obligor Security Trustee, all Initial ACF Providers and the other Obligor Secured Creditors, on the Exchange Date, entered into a Common Terms Agreement, which sets out, among other things:

(a) a common covenants package for the Obligors and the mechanism for determining which covenants form part of such covenants package at any time (see "— *Determining the Applicable Covenant Regime*" and subsequent sections, page 133 et seq., below);

(b) the procedures for the accession of Additional Obligors to, and the release of existing Obligors from, the Security Group (see "— *The Security Group*", page 85, below) and for Further ACF Providers and other Obligor Secured Creditors to accede to the Common Terms Agreement and the Security Trust and Intercreditor Deed (see the section entitled "— *Permitted Financial Indebtedness*", page 108, below);

(c) the procedures relating to the introduction, Disposal and intra-Security Group transfer of Mortgaged Properties (see "— The *Estate*", page 89, below); and

(d) the circumstances in which the Obligors may incur further Secured Financial Indebtedness and Obligors (other than FinCo) may incur Unsecured Debt from credit providers, who will not, in relation to such Unsecured Debt, have the benefit of the Obligor Security nor be bound by the intercreditor provisions contained in the Security Trust and Intercreditor Deed (see "— *Permitted Financial Indebtedness*", page 108, below).

Security Trust and Intercreditor Deed:

The Issuer, FinCo, all other Obligors, Land Securities Group PLC, the Note Trustee, the Obligor Security Trustee and all Initial ACF Providers, on the Exchange Date, entered into a Security Trust and Intercreditor Deed which, *inter alia*, contains provisions setting out intercreditor rights and obligations and which regulates the application of the proceeds of the Obligor Security as between the Obligor Secured Creditors.

See further "— *Security granted by the Security Group*", page 28, below and "— *Security Trust and Intercreditor Deed*", page 171, below.

Intercompany Loan Agreement:

The Issuer, FinCo, the Obligor Security Trustee and the Note Trustee, on the Exchange Date, entered into an agreement which sets out the terms on which the Issuer would from time to time lend to FinCo an amount equal to the principal amount of Sub-Classes of Notes issued under the Programme from time to time. The principal amount of each ICL Loan under the Intercompany Loan Agreement will correspond to the principal amount of a Sub-Class of Notes, the economic terms of which will be matched by such ICL Loan (save that the rate of interest payable in respect of each ICL Loan under the Intercompany Loan Agreement will exceed that payable in respect of the corresponding Sub-Class of Notes by 0.01% per annum).

The obligations of FinCo under the Intercompany Loan Agreement are secured pursuant to the Obligor Security Documents and guaranteed by the other Obligors under the Security Trust and Intercreditor Deed. See further "— *Security granted by the Security Group*", page 28, below.

The Issuer's obligations to repay principal and pay interest on the Notes are intended to be met exclusively from the payments of principal and interest received from FinCo under the Intercompany Loan Agreement.

For a more detailed description of the ICL Loans under the Intercompany Loan Agreement and the terms relating thereto, see "— *Intercompany Loan Agreement*", page 216, below.

Existing ACF Agreements:

FinCo entered into several credit facility agreements with the Existing ACF Providers. The total facility amount under the Existing ACF Agreements at the date of this Base Prospectus is £2,715,000,000.

See – "— *Existing ACF Agreements*", page 404, below.

Further ACF Agreements: FinCo or any of the other Obligors may enter into credit and other facility agreements, pursuant to which Secured Financial Indebtedness may be incurred, which the relevant Obligor has designated as "Further ACF Agreements" and each of the credit providers under which has acceded or is intended to accede to the Common Terms Agreement and the Security Trust and Intercreditor Deed in its capacity as an ACF Provider.

See "— *Further ACF Agreements*", page 104, below and "– *Permitted Financial Indebtedness*", page 108, below.

Liquidity Facility Agreements: FinCo may become obliged in certain circumstances to enter into one or more Liquidity Facility Agreements with one or more Liquidity Facility Providers pursuant to which such Liquidity Facility Provider(s) will agree to make available to FinCo (subject to the satisfaction of certain conditions to be agreed with the relevant Liquidity Facility Provider(s)) Liquidity Facilities (i) to meet certain of its payment obligations in respect of ACF Loans and ICL Loans and certain other obligations ranking senior thereto and (ii) to on-lend amounts to any other Obligor in order to enable such Obligor to meet its payment obligations in respect of ACF Loans and certain other obligations ranking senior thereto, in each case to the extent that there are insufficient funds available for the relevant purpose (see "— *Mandatory Liquidity Provisions*", page 112, below). Alternatively, FinCo may comply with its obligations to provide liquidity by creating a separate liquidity reserve for that purpose. FinCo's obligations to any Liquidity Facility Provider will be secured pursuant to the Obligor Security Documents.

At the date of this Base Prospectus, no Liquidity Facility has been entered into.

Swap Agreements: The Obligors have agreed under the Common Terms Agreement to comply with the Hedging Covenant, which requires the Obligors, among other things, to ensure that as of each Scheduled Calculation Date and Additional Calculation Date:

(a) if the T1 Covenant Regime or T2 Covenant Regime applies, interest on the Non-Contingent Loans is hedged at least to the following extent:

YEARS FROM DATE OF TESTING	INTEREST PAYMENTS SCHEDULED TO BE PAID BY THE SECURITY GROUP BY REFERENCE TO ADJUSTED PRINCIPAL AMOUNT OUTSTANDING
0 to 2	75%
2+	50%

(b) if a T3 Covenant Regime applies, interest on the Non Contingent Loans is hedged at least to the following extent:

YEARS FROM DATE OF TESTING	INTEREST PAYMENTS SCHEDULED TO BE PAID BY THE SECURITY GROUP BY REFERENCE TO ADJUSTED PRINCIPAL AMOUNT OUTSTANDING
0 to 5	90%
5 to 10	75%
10+	50%

(c) at any time, the Security Group's net currency exposure is fully hedged into sterling (subject to an aggregate £50,000,000, (subject to Indexation), or its spot equivalent in the relevant currency/ies, *de minimis*) where the "**net currency exposure**" of the Security Group (where positive) means the aggregate amount of its Financial Indebtedness which is denominated in a currency other than sterling (subject to certain exclusions described in more detail in "— *Swap Agreements and Hedging Covenant*", page 113 below), less the aggregate value of its assets which are denominated in the relevant currency or situated in the relevant currency zone.

FinCo has entered into Swap Agreements which (to the extent required by the Hedging Covenant) hedge the Security Group's interest rate risk arising as a result of any Obligor, including FinCo, being required to pay a floating rate of interest on any Non-Contingent Loan, including Floating Rate ICL Loans and Floating Rate ACF Loans.

FinCo's obligations under the Swap Agreements are and will be secured pursuant to the Obligor Security Documents.

See "— *Hedging Arrangements*", page 229, below.

Obligor Floating Charge Agreement: The Issuer, FinCo, all other Obligors, the Obligor Security Trustee and the Note Trustee, on the Exchange Date, entered into an Obligor Floating Charge Agreement pursuant to which each Obligor granted in favour of the Issuer a first ranking floating charge over the whole of its undertaking, assets, property and rights whatsoever and wheresoever, present and future.

See further "— *Security granted by the Security Group*", page 28, below and "— *Security Trust and Intercreditor Deed*", page 171, below and "— *Obligor Floating Charge Agreement*", page 214, below.

Account Bank and Cash Management Agreement: The Issuer, FinCo, the other Obligors, the Obligor Security Trustee, the Note Trustee, the Cash Manager and the Account Bank, on the Exchange Date, entered into an Account Bank and Cash Management Agreement pursuant to which, amongst other things, the Account Bank agreed to maintain the Accounts and the Cash Manager was appointed to act as cash manager in respect of amounts standing from time to time to the credit of the Accounts.

See further "— *Account Bank and Cash Management Agreement*", page 220, below.

Servicing Agreement: The Servicer, FinCo, the other Obligors, the Issuer, the Obligor Security Trustee and the Note Trustee, on the Exchange Date, entered into a Servicing Agreement pursuant to which the Servicer agreed to provide certain services to the Obligors and the Issuer.

See further "— *Servicing Agreement*", page 225, below.

Trust Declarations and Beneficiary Undertakings: Certain Obligors who are partners in partnerships, on the Exchange Date, entered into certain trust arrangements in respect of the Mortgaged Properties and gave certain undertakings to the Obligor Security Trustee.

See further "— *Trust Declarations and Beneficiary Undertakings",* page 214, below.

Tax Deed of Covenant: The Issuer, FinCo, the other Obligors, Land Securities Group PLC, the Obligor Security Trustee and the Note Trustee, on

the Exchange Date, entered into the Tax Deed of Covenant to support their obligations under the Transaction Documents and pursuant to which they gave certain representations, warranties and covenants relating to tax matters.

See further "— *Tax Deed of Covenant*", page 232, below.

Land Securities Intra-group Funding Deed: Under the Land Securities Intra-group Funding Deed entered into on the Exchange Date, the Obligors (other than FinCo) and certain Non-Restricted Group Entities have agreed that all payments and loans made between the Security Group and the Non-Restricted Group shall be made through Land Securities (Finance) Limited in the Security Group and Land Securities Properties Limited in the Non-Restricted Group. This results in all amounts owing by the Security Group (other than FinCo) to the Non-Restricted Group, and vice versa, being obligations of Land Securities (Finance) Limited and Land Securities Properties Limited only. Amounts owing between these two companies may also, subject to certain exceptions, be netted to provide for a single amount to be owed by the Security Group to the Non-Restricted Group (or vice versa).

Security granted by the Security Group

Security granted by the Security Group: The obligations of FinCo under the Intercompany Loan Agreement and the obligations of the Obligors under the other Obligor Transaction Documents are secured in favour of the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed, the Standard Securities and the other Obligor Security Documents (other than the Obligor Floating Charge Agreement granted in favour of the Issuer). Such security includes:

(a) first ranking charges by way of legal mortgage (or, in the case of real estate properties in Scotland, Standard Securities) over the freehold, heritable and leasehold interests of the Obligors as at the Exchange Date and (subject to the paragraph below) equitable mortgages over all such interests acquired after that date;

(b) first ranking fixed charges over all of the other property, undertaking and assets of the Obligors;

(c) first ranking floating charges over all the property, undertaking and assets of each Obligor (other than

any Obligor which is a partnership or is not a body corporate); and

(d) certain non-property assets have also been charged, as Further Credit Assets. In the case of interests in a partnership:

(i) a first fixed charge over all of the Obligor's partnership interests; and

(ii) a first fixed charge over the shares that the relevant Obligor holds in the general partner of the partnership.

The Obligors may, from time to time, in accordance with the terms of the Common Terms Agreement (as described in "— *The Estate*", page 89, below), bring further real estate properties or Reintroduced Properties into the Estate by granting, in respect of each of these properties, a first ranking charge by way of legal mortgage (in case of real estate property in England and Wales) or Standard Securities (in the case of a real estate property in Scotland) or, in the case of a Non-GB Property, a security interest, the form of which is to be agreed with the Obligor Security Trustee.

The Security Trust and Intercreditor Deed also expressly permits the Security Group to deal freely with its assets, save to the extent that it is restricted by the provisions set out in the Obligor Transaction Documents and the existence of security interests over the Mortgaged Properties from, *inter alia*, disposing of real estate assets, disposing of shares in members of the Security Group and making withdrawals from certain bank accounts (see further "— *Security Trust and Intercreditor Deed*", page 171, below).

In addition, each Obligor, under the Security Trust and Intercreditor Deed, guarantees the payment obligations of each other Obligor under the Obligor Transaction Documents.

The Obligor Security Trustee holds the benefit of the security created in its favour pursuant to the Obligor Security Documents (other than, in the case of the Issuer, the benefit of the floating charges contained in the Security Trust and Intercreditor Deed) on trust for the benefit of itself, any receiver appointed thereunder, the Issuer, each ACF Provider, each Swap Counterparty, any Replacement Cash Manager, any Replacement Servicer, the Account Bank, any Liquidity Facility Provider (which in each case is party to or has acceded to the

Common Terms Agreement and the Security Trust and Intercreditor Deed) and any other Obligor Secured Creditors, subject to and in accordance with the terms thereof.

On the Exchange Date, the Obligors also created first ranking floating charges over all the property, undertakings and assets of each Obligor in favour of the Issuer pursuant to the Obligor Floating Charge Agreement.

The Issuer has assigned its rights under, *inter alia*, the Intercompany Loan Agreement, the Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement to the Note Trustee pursuant to the Issuer Deed of Charge. Therefore, so long as any Notes are outstanding, the Issuer's rights under these documents will be exercised solely by the Note Trustee.

For a more detailed description of the provisions contained in the Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement, see "— *Security Trust and Intercreditor Deed*", page 171, below and "— *Obligor Floating Charge Agreement*", page 214, below.

The Programme

Amount and Title:

The Issuer may, under the Programme, issue Class A Notes, Class R1 Notes, Class B Notes, Class R2 Notes and Subordinated Notes of any Class or Classes designated as ranking below the Class B Notes in a maximum aggregate principal amount of £7,000,000,000 or the equivalent thereof in other currencies (provided, in the case of Class R Notes, that the Issuer has entered into a Class R Underwriting Agreement). (As to the designation of the ranking of a Class of Subordinated Notes, see "— *Debt Ranking*", page 78, below and "— *Ranking of Financial Indebtedness*", page 106, below.

The Issuer may from time to time change the amount of the Programme in accordance with the terms of the Dealership Agreement.

Class A Notes:

All of the Class A Notes are designated in the relevant Final Terms as Priority 1 Notes and therefore rank in point of security *pari passu* and *pro rata* as between themselves and prior to any other Class of Notes. The corresponding ICL Loans rank in point of security as Priority 1 Debt of the Security Group under the Security Trust and Intercreditor Deed.

Issue Dates: Issue Dates will fall on such dates as may be agreed between the Issuer, the relevant Dealer(s) and/or (in the case of any Class R Notes) the Class R Underwriters from time to time.

Issuance in Series and Sub-Classes: Notes issued on the same date will comprise a Series. Each Series may comprise one or more non-fungible Classes or (other than the Class R Notes) Sub-Classes. The Notes will be classed in the relevant Final Terms and thereby be accorded a particular priority ranking in point of security. The Notes will be Class A Notes (or a Sub-Class thereof), Class B Notes (or a Sub-Class thereof), Class R1 Notes, Class R2 Notes or Subordinated Notes (split into Classes and Sub-Classes as necessary). The Class A Notes are, and any Class R1 Notes will be, Priority 1 Notes and any Class B Notes and Class R2 Notes will be Priority 2 Notes.

The Issuer may make further issues of Notes on identical terms to an existing Sub-Class save for the first Note Payment Date and on terms that such further issue of Notes will be fungible with such existing Sub-Class. Any such further Notes of a Sub-Class issued on any Issue Date will rank *pari passu* and *pro rata* with all Notes of such Sub-Class issued as part of any other Series.

The specific terms of each Sub-Class of Notes will be set out in the Final Terms applicable to such Sub-Class of Notes.

Form of Notes: Each Sub-Class of Notes will be issued in bearer and/or registered form as described in Chapter 15 "*Form of the Notes*", page 349, below, in each case as specified in the relevant Final Terms. See further Chapter 15 "*Form of the Notes*", page 349, below. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Bearer Notes: Each Sub-Class of Notes (or part thereof) issued in bearer form will initially be in the form of a Temporary Global Note or a Permanent Global Note, which, in either case, will: (a) if the Temporary Global Note or the Permanent Global Note as the case may be is intended to be issued in NGN form, as stated in the relevant Final Terms, be delivered on or prior to the original issue date of the relevant Sub-Class of Notes to a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"); and (b) if the Temporary Global Note or Permanent Global Note, as the case may be, is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the relevant Sub-Class of Notes to a common depositary for Euroclear and Clearstream,

Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes with (if the Notes bear interest) Coupons and (if applicable) Talons for further Coupons attached. If the TEFRA D Rules are specified in the relevant Final Terms as being applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note for an interest in a Permanent Global Note (or, as the case may be, Definitive Notes) or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes with (if the Notes bear interest) Coupons and (if applicable) Talons attached in the circumstances specified in the Permanent Global Note. See further Chapter 16 "*Summary of Provisions relating to the Notes while in Global Form*", page 358, below.

Registered Notes: For each Sub-Class of Notes issued in registered form, the Issuer will deliver a Regulation S Global Note Certificate and/or a Rule 144A Global Certificate to a depositary or common depositary or common safekeeper (if Registered Notes are intended to be held under the NSS (as defined below)) for Euroclear and/or Clearstream, Luxembourg and/or, if so specified in the relevant Final Terms, any other relevant clearing system. Regulation S Global Note Certificates and Rule 144A Global Certificates will be exchangeable only for Individual Note Certificates and only in the limited circumstances specified in the relevant Regulation S Global Note Certificate or Rule 144A Global Certificate (as appropriate) and as specified in the relevant Final Terms.

Restricted Notes sold in reliance on Rule 144A to persons that are QIBs acting for their own accounts or the accounts of other persons that are QIBs will be represented by Rule 144A Global Certificates, which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg or their participants (as applicable) at any time. The Rule 144A Global Certificates will bear a legend to the effect that such Rule 144A Global Certificates, or any interest therein, may only be transferred in compliance with the transfer restrictions set out in such legend.

Denomination of Notes: Notes will be issued in such denominations as specified in the relevant Final Terms. The minimum denomination of each Note will be such as may be allowed or required from time to

time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency but in any case will be at least €100,000 (or its equivalent in any other currency).

Status and Ranking: Each Class of Notes will be constituted by the Trust Deed and will be secured by the Issuer Security created under the Issuer Deed of Charge.

The Notes will constitute secured, direct, unconditional and unsubordinated (other than as regards ranking of different Classes of Notes) obligations of the Issuer. Each Sub-Class of a Class of Notes will rank *pari passu* and *pro rata* without preference or priority in point of security among all other Sub Classes of that Class of Notes.

Other than as described in the sections entitled "— *Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*", page 40, below, and "— *Optional Redemption for Taxation Reasons*", page 39, below, the obligations of the Issuer in respect of the Notes (other than in relation to any Note Step-Up Amounts) will rank in the following order in point of security:

(a) first, *pro rata* and *pari passu* among themselves, the Priority 1 Notes;

(b) second, *pro rata* and *pari passu* among themselves, the Priority 2 Notes; and

(c) thereafter, the Subordinated Notes.

The precise ranking of each Class of Subordinated Notes vis-à-vis any other Class of Subordinated Notes will be agreed and designated in accordance with the Common Terms Agreement and will be specified in the relevant Final Terms. However, each Sub-Class of a Class of Subordinated Notes will rank *pari passu* and *pro rata* without preference or priority in point of security among all other Sub-Classes of that Class of Subordinated Notes (see "— *Debt Ranking*", page 78, below, below and "— *Ranking of Financial Indebtedness*", page 106, below).

The payment of any Note Step-Up Amount is subordinated to payments of interest and repayments and prepayments of principal on each Class of Notes and failure to pay any such Note Step-Up Amount will not constitute an Issuer Event of Default. The holders of the Notes will be entitled to receive

payments of Note Step-Up Amounts on their respective Notes on any Note Payment Date only to the extent that the Issuer has funds available for the purpose after making payments on such Note Payment Date of all liabilities which are due and payable on that date and which rank in priority to the liability to pay Note Step-Up Amounts on such Class of Notes.

The holders of any Sub-Class of Notes which are not the Most Senior Class of Notes will be entitled to receive payments of principal and interest on such Notes on any Note Payment Date only to the extent that the Issuer has funds available for the purpose after making payment on such Note Payment Date of any payment due and payable on that date in respect of the More Senior Notes and of all other liabilities which are due and payable on that date and rank in priority to such Notes, all as provided in Condition 6(a) (*Interest Rate and Accrual*) and Condition 8(j) (*Subordination of principal)*, and in the Issuer Deed of Charge and as described below in "— *Issuer Deed of Charge*", page 233, below.

The Issuer's obligations in respect of the Notes as set out above will, prior to the enforcement of the Issuer Security, depend on the amounts due and payable on the Notes on any particular Note Payment Date. Accordingly, interest and principal on any Lower Ranking Notes relative to any Sub-Class of Notes which is due and payable on a Note Payment Date may be paid prior to interest and principal which is due and payable on such Sub Class of Notes if there are no such amounts due and payable in respect of such Sub-Class of Notes on such date.

Security for the Notes and other Secured Obligations:

The Notes will be secured by first ranking security created pursuant to the Issuer Deed of Charge. The Note Trustee holds the benefit of such security on trust for itself, the Noteholders, any receiver appointed under the Issuer Deed of Charge, the Account Bank, any Cash Manager and any Replacement Cash Manager (so long as they are not members of the Landsec Group), the Registrar, the Transfer Agents, the Paying Agents, the Agent Bank and any other creditors who accede to the Issuer Deed of Charge from time to time in accordance with the terms thereof (the "**Issuer Secured Creditors**").

The Issuer Deed of Charge creates first ranking security interests over, among other things, the Issuer's rights in respect of the Issuer Accounts, the Issuer's rights under the Issuer Transaction Documents (other than the Trust Deed and the Issuer Deed of Charge) and the Obligor Transaction

Documents to which the Issuer is a party (in particular, the Common Terms Agreement, the Security Trust and Intercreditor Deed and the Intercompany Loan Agreement) (see "— *Issuer Deed of Charge*", page 233, below).

The Notes will also be secured by a first ranking floating charge in favour of the Note Trustee (on behalf of itself and the Issuer Secured Creditors) over all the assets and undertaking of the Issuer.

The Issuer also has the benefit of the Obligor Floating Charge Agreement as described in "— *Security granted by the Security Group*", page 28, above. However, any proceeds arising from the enforcement of the security contained in the Obligor Floating Charge Agreement shall be shared between the Issuer and the other Obligor Secured Creditors by applying such proceeds towards the applicable Security Group Priority of Payments as set out in the Security Trust and Intercreditor Deed.

Certain other obligations of the Issuer (including the amounts owing to the Note Trustee under the Trust Deed to any receiver appointed under the Issuer Deed of Charge, to the Account Bank and any Replacement Cash Manager under the Account Bank and Cash Management Agreement and to the Registrar, the Transfer Agents, the Paying Agents and the Agent Bank under the Agency Agreement) are also secured by the Issuer Security.

For a more detailed description of the provisions of the Issuer Deed of Charge, including the priority of payments by the Issuer both prior and subsequent to the enforcement of the security thereunder (see "— *Issuer Deed of Charge*", page 233, below).

Powers of Noteholders: The Trust Deed contains provisions limiting the powers of the holders of any Notes that are not the Most Senior Class of Notes, among other things, to pass any Extraordinary Resolution or to request or direct the Note Trustee to take any action which may affect the interests of a class of Noteholders ranking in priority in point of security thereto.

Pursuant to the Security Trust and Intercreditor Deed, the Trust Deed and the Conditions, Noteholders may also (by instructing the Note Trustee) participate in Debtholders' Meetings called for the purpose of instructing the Obligor Security Trustee (by

way of a Secured Creditor Instruction) to take certain actions (see "— *Intercreditor arrangements*", page 180, below).

Conflict of Interest Among Noteholders:

The Trust Deed contains provisions requiring the Note Trustee to, unless otherwise provided, have regard to the interests of the holders of all Classes of outstanding Notes as if they formed a single class. However, where there is, in the Note Trustee's opinion, a conflict between the interests of the holders of two or more Classes of outstanding Notes, the Trust Deed requires the Note Trustee to have regard solely to the interests of the holders of the Most Senior Class of Notes then outstanding.

Interest:

Notes (other than Zero Coupon Notes) will, unless otherwise specified in the Conditions, be interest-bearing and interest will be calculated (unless otherwise specified in the Conditions) on the Principal Amount Outstanding of each such Note. Interest will accrue at a fixed or floating rate and will be payable in arrear, as specified in the relevant Final Terms, at such rate as may be so specified and in the currency in which the Notes are denominated. In addition, in the case of Indexed Notes, interest will be adjusted for Indexation by reference to the relevant Index Ratio.

Interest will be calculated on the basis of such Day Count Fraction (as defined in the Conditions) as may be agreed between the Issuer and (in the case of all Notes other than Class R Notes) the relevant Dealers or (in the case of any Class R Notes) the Class R Underwriters, as specified in the relevant Final Terms.

Failure by the Issuer to pay interest on the Most Senior Class of Notes when due and payable may result in the Note Trustee enforcing the Issuer Security. To the extent that funds available to the Issuer on any Note Payment Date, after paying interest then due and payable on the More Senior Classes of Notes, are insufficient to pay in full interest otherwise due on any one or more Classes of Lower Ranking Notes then outstanding, the shortfall in the amount then due will not be paid on such Note Payment Date but will only be paid (together with interest accrued thereon) on any subsequent Note Payment Date to the extent that amounts are available to the Issuer for such purpose after the Issuer's other higher priority liabilities have been paid.

The non-payment of any interest of any Class or Classes of Notes ranking below the Most Senior Class of Notes shall not constitute an Issuer Event of Default.

Fixed Rate Notes: The Issuer may issue Notes which bear interest at a fixed rate, such rate to be agreed between the Issuer and the relevant Dealers and specified in the relevant Final Terms.

The interest rate in respect of a particular Sub-Class of Fixed Rate Notes may be subject to an increased margin on a specified date, as specified in the relevant Final Terms.

Floating Rate Notes: The Issuer may issue Notes which bear interest at a floating rate. Floating Rate Notes will bear interest at a rate set separately for each Sub-Class as may be specified in the relevant Final Terms either on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on the same basis as the floating rate under a notional interest rate swap transaction in the relevant currency governed by an agreement incorporating either the 2000 ISDA Definitions or the 2021 ISDA Definitions (as amended and updated as at the date of issue of the first Series of Notes of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.), as adjusted for any applicable Margin (as defined in the Conditions) as specified in the relevant Final Terms.

The interest rate in respect of a particular Sub-Class of Floating Rate Notes may be subject to an increased margin as from a specified date or dates, as specified in the relevant Final Terms.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Class R Notes: The Issuer may issue Notes pursuant to a Class R Underwriting Agreement (see "— *B. Class R Underwriting Agreements*", page 367, below).

Indexed Notes: The Issuer may issue Notes in respect of which the amounts payable (whether in respect of principal or interest and whether at maturity or otherwise) will be calculated by reference to such index as the Issuer and the relevant Dealers may agree, as specified in the relevant Final Terms.

Zero Coupon Notes: The Issuer may issue Notes which do not bear interest and may be sold at a discount to their nominal amount, as specified in the relevant Final Terms.

Interest Rate Step-Up: The Final Terms in respect of any Sub-Class of Notes may specify that, from and including the date which is two years prior to the Maturity Date of such Sub-Class of Notes, the interest rate in respect of such Sub-Class of Notes (irrespective of whether they are specified in the Final Terms as Floating Rate Notes, Fixed Rate Notes, Indexed Notes or Zero Coupon Notes) will be subject to adjustment in accordance with the Conditions as completed by the relevant Final Terms. No early redemption premium will be payable in respect of any Notes of such nature during such final two years. The ratings of the Rating Agencies do not address the likelihood of payment of any step-up amounts.

Note Payment Dates and Note Interest Periods: Interest on the Notes will be payable by reference to successive interest periods on the payment dates specified in the relevant Final Terms.

Each successive Note Interest Period will commence on (and include) a Note Payment Date and end on (but exclude) the following Note Payment Date, except that the first Note Interest Period in respect of a Sub-Class of Notes will commence on (and include) the relevant Issue Date and end on (but exclude) the Note Payment Date specified in the relevant Final Terms.

Withholding Tax: Payments of interest, principal and premium (if any) on the Notes will be made without withholding or deduction for, or on account of, any tax unless required by law (whether in the United Kingdom or elsewhere). None of the Issuer, any Paying Agent or any other person will be obliged to pay any additional amounts to Noteholders (or, if Definitive Notes are issued, Couponholders) in respect of any amounts required to be withheld or deducted.

Issue Price: Notes may be issued at any price, as specified in the relevant Final Terms.

Final Redemption: Notes may be issued for any maturity as specified in the relevant Final Terms.

Optional Redemption: Prior to their stated final maturity, the Notes will be redeemable in whole or in part at the option of the Issuer in accordance with Condition 8(b) (*Optional Redemption*) at their Redemption Amount, together with accrued but unpaid interest on the

Principal Amount Outstanding of such Notes up to (but excluding) the Note Payment Date on which such redemption occurs.

Optional Redemption as Result of Ratings Event: If a Ratings Event occurs at any time, the Issuer may, subject to a Noteholders' Affirmation and the satisfaction of certain conditions set out in Condition 8(c) (*Optional Redemption as Result of Ratings Event*) in respect of any Sub-Class of Notes, redeem such Sub-Class of Notes in whole at their Redemption Amount, together with accrued but unpaid interest on the Principal Amount Outstanding of such Sub-Class of Notes up to (but excluding) the respective Note Payment Dates on which such redemption occurs.

Optional Redemption for Index Event: Upon the occurrence of certain Index Events, the Issuer may, in accordance with Condition 8(d)(i) (*Optional Redemption for Index Event or Taxation Reasons*), redeem all (but not some only) of the Indexed Notes at the Redemption Amount, together with accrued but unpaid interest on the Principal Amount Outstanding of such Notes up to (but excluding) the respective Note Payment Dates on which such redemption occurs.

Optional Redemption for Taxation Reasons: If the Issuer at any time satisfies the Note Trustee that:

(a) any change in tax law (or the application or official interpretation thereof) requires or will require the Issuer to make any withholding or deduction for or on account of any United Kingdom tax from payments in respect of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of such withholding or deduction); or

(b) FinCo is obliged to increase any sum payable by it to the Issuer under the Intercompany Loan Agreement as a result of FinCo being required by a change in tax law (or the application or official interpretation thereof) to make a withholding or deduction for or on account of any United Kingdom tax from that payment,

then the Issuer may, in accordance with Condition 8(d)(ii) (*Optional Redemption for Index Event or Taxation Reasons*), redeem (without premium or penalty) all (but not some only) of the Notes at their Principal Amount Outstanding, together with accrued but unpaid interest on the Principal Amount

Outstanding of such Notes up to (but excluding) the respective Note Payment Dates on which such redemption occurs.

Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed:

If the Issuer receives any monies in Actual Prepayment of all or any ICL Loan under the Intercompany Loan Agreement either pursuant to the Security Group Post-Enforcement (Pre Acceleration) Priority of Payments, the Security Group Post Enforcement (Post-Acceleration) Priority of Payments or the exercise of the P1 ICL Call Option (see "— P1 ICL Call Option", page 194, below), or other than pursuant to the optional redemption provisions set out in Condition 8(b) (*Optional Redemption*), 8(c) (*Optional Redemption as Result of Ratings Event*) or 8(d) (*Optional Redemption for Index Event or Taxation Reasons*), the Issuer shall apply a principal amount equal to any amount by which the corresponding ICL Loan under the Intercompany Loan Agreement is Actually Prepaid towards redemption of the relevant Sub-Class of Notes in accordance with Condition 8(e) (*Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*). Such redemption will, subject to the terms of Condition 8(e) (*Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*), be made on the Note Payment Date of the relevant Sub-Class of Notes falling after such Actual Prepayment.

Any Note to be wholly or partly redeemed will be redeemed at its Principal Amount Outstanding, together with accrued but unpaid interest on the Principal Amount Outstanding of such Note up to (but excluding) the Note Payment Date on which such redemption occurs or (where part only of the relevant ICL Loan has been Actually Prepaid) the proportion of the relevant Note which the Actual Prepayment amount bears to the amount of the relevant ICL Loan immediately prior to such Actual Prepayment.

Purchases:

Save for any Class R Notes (which will, save in certain limited circumstances, be required to be repurchased on each Note Payment Date), the Issuer may not purchase the Notes of any Class.

FinCo or any other Obligor resident for tax purposes in the United Kingdom may at any time purchase Notes of any Class in accordance with applicable law and the provisions of the Common Terms Agreement. Any Notes purchased by FinCo may be surrendered to the Issuer. Upon surrender of any such Note to the Issuer, the Note will be cancelled.

Ratings:	The ratings expected to be assigned to any Class A Notes and any Class R1 Notes on their issue are AA by S&P Global Ratings UK Limited and AA- by Fitch Ratings Limited (assuming no change in relevant circumstances). Series of Notes issued under the Programme may be rated or unrated. The ratings of the Rating Agencies do not address the likelihood of receipt by any Noteholder of any redemption premium, nor do the ratings of the Rating Agencies address the likelihood of receipt of any Note Step-Up Amount. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each credit rating should be evaluated independently of any other rating and, among other things, will depend on the performance of the business of the Security Group from time to time.
Admission to Trading and Listing:	Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on its regulated market. Further Notes of any Series may be listed on Euronext Dublin or any other exchange or may be unlisted.
Terms and Conditions:	Final Terms will be prepared in respect of each Sub-Class of Notes including further fungible issues of an existing Sub-Class. A copy of the Final Terms will be delivered to Euronext Dublin or such other or further exchange (as applicable) on or before the Issue Date of such Notes. The Conditions applicable to each Sub-Class will be those set out in Chapter 13 “Terms and Conditions of the Notes”, page 258, below which are to be read in conjunction with the Final Terms.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Transfer and Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United Kingdom and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Sub-Class of Notes (see Chapter 19. “*Subscription and Sale*”, page 367 and “Transfer Restrictions under Regulation S and Transfer Restrictions under Rule 144A”, page 288 below).

Chapter 2
Risk Factors

The following is a summary of certain aspects of the Notes and related transactions of which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views on the transactions described in this Base Prospectus prior to making any investment decision.

1. Customer

Dependence on Tenants; Future demand for office and retail space

The Issuer's ability to meet its obligations under the Notes could be impacted by the structural changes in customer behaviour, particularly in the office and retail markets. Changes in customer behaviour that were observed before the outbreak of COVID-19 have accelerated during the pandemic. While being advised to work from home, office workers became more comfortable and familiar with virtual interactions. Since the UK government restrictions have been lifted, many workers have returned to offices, but there remains a risk that these changes in behaviour will become structural and permanent, which will have a consequent impact on the Group's income and asset values.

The retail sector saw a significant increase in online business during the COVID-19 pandemic, when physical shops were closed. Whilst the percentage of online sales has fallen since the the UK government restrictions were lifted, it remains higher than pre-pandemic levels and the long term level of online versus physical retail is unclear. Pure online or omni-channel retailers require less physical retail space leading to a change in demand for retail or hospitality space which could have a consequent impact on the Group's income and asset values.

Dependence on Tenants; Non-payment of rent under Leasing Agreements

The Issuer's ability to meets its obligations under the Notes will be dependent on FinCo's ability to make payments on ICL Loans and ACF Loans. This will be dependent, amongst other things, on the receipt by the Obligors of rental income in relation to those Mortgaged Properties that are subject to Leasing Agreements and the ability of the Obligors to buy and sell property from time to time.

If payments of rent are not received on or prior to their due date and any resultant shortfall is not otherwise compensated for from other resources of the Obligors or by selling properties and, as a result, FinCo is unable to pay any amount due on any ICL Loan Payment Date, the Issuer will have insufficient funds to pay the corresponding amount in respect of the corresponding Notes. Save in the case of the Most Senior Class of Notes, payment of any such amount will be deferred.

No assurance can be given that the resources available to the Obligors will, in all cases and in all circumstances, be sufficient to cover any shortfall in rents from Mortgaged Properties and that such a deferral, or an Obligor Event of Default or an Issuer Event of Default, will not in fact occur as a result of the late or non-payment of rent. Failure of an occupier to make payments or default by a material tenant could have an adverse effect on the Landsec Group's revenue.

Dependence on Tenants; Company Voluntary Arrangements and Restructuring Plans

If a tenant faces financial difficulty, it may seek to alter the rent and other terms of the Lease Arrangements with the Obligors. If a consensual agreement can be reached with some but not all of the creditors of the tenant (which includes its landlords), a compromise could be imposed on dissenting landlords through a company voluntary arrangement (a "**CVA**") or a restructuring plan (a "**Restructuring Plan**"). A CVA is a compromise or an arrangement between a company and its creditors under the Insolvency Act 1986. A Restructuring Plan is a court-sanctioned restructuring tool under Part 26A of the Companies Act 2006 introduced by the Corporate Insolvency and Governance Act 2020 (the "**CIGA**"), passed by the UK government on 26 June 2020, under which a restructuring plan may be proposed to a company's creditors and/or members.

A CVA is passed, and is binding, if it is approved by at least 75% by value of the company's creditors who respond in the decision procedure (provided that 50% or more of creditors voting in favour are unconnected with the company). A CVA binds any unsecured creditor (including dissenting parties) who was entitled to vote in the decision procedure or who would have been entitled to vote if they had notice of the decision procedure. This means that a CVA, once approved, binds both known and unknown creditors in relation to debts that the CVA is drafted to encompass. However, a CVA may not bind a secured creditor or a preferential creditor without their consent.

A Restructuring Plan is binding on all affected creditors and/or members if it is sanctioned by the court and takes effect when the court order sanctioning the Restructuring Plan is delivered to the UK Registrar of Companies. The general rule is that, prior to the sanction hearing, the Restructuring Plan must be approved by at least 75% by value of creditors or members present and voting (in person or by proxy) in each class. However, if not all classes have approved the plan, the court may still sanction a plan, provided that (a) the court is satisfied that none of the dissenting classes are any worse off under the plan than they would be in the event of the "relevant alternative" and (b) the plan has been agreed by a number representing 75% in value of a class of creditors or (as the case may be) of members, present and voting (in person or by proxy) who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative. The relevant alternative is whatever the court considers would be most likely to occur in relation to the company if the compromise or arrangement were not sanctioned by the court. One or more classes of creditors and/or members may be excluded from voting on a Restructuring Plan if they have no genuine economic interest in the company. The court has a broad discretion as to whether to exclude one or more classes from voting and also as to whether to sanction a Restructuring Plan.

Once a CVA or a Restructuring Plan becomes effective, then in respect of any compromised debt owed by the tenant, the Obligor is bound by the terms (i) of such CVA if it was entitled to vote at the creditors meeting and whether or not it participated in the decision procedure, or (ii) of such Restructuring Plan if it was a member of a class of creditors under the Restructuring Plan.

For most leases, an Obligor's right to forfeit the lease would remain. The High Court in *Discovery (Northampton) Ltd v Debenhams Retail Limited* [2019] EWHC 2441 (Ch) clarified that a CVA could not specifically remove a landlord's right of forfeiture under the terms of the lease. However, where a CVA reduces the level of rent payable, landlords cannot exercise the right to forfeit on the basis of the unpaid rent due under the lease because that amount would have validly been reduced by

the CVA. The same analysis is expected to apply equally to an Obligor's right to forfeit the lease in the context of a compromise under a Restructuring Plan.

The implementation of CVAs or Restructuring Plans between any Obligors and their material tenants could result in the terms of the relevant leases being altered so that they are less favourable to the Obligor. This could have an adverse effect on Landsec Group's business both in terms of the impact on contracted rental income from any affected leases and from the consequential impact of the property value.

Dependence on Tenant; Re-letting risks

During the term of the Intercompany Loan Agreement, the majority of the existing leases which are in place at the date of this Base Prospectus and probably any new leases to be granted in the near future will expire in accordance with their respective contractual terms. There can be no assurance that the Landsec Group's tenants will renew their respective leases or, if they do not, that new tenants of equivalent standing (or at all) will be found to take up replacement leases.

Rental levels and the affordability of rents, the size and quality of the building, the amenities and facilities offered, the convenience, location and local environment of the relevant Mortgaged Property, the amount of competing space available, the transport infrastructure and the age and facilities of the building in comparison with the alternatives and the identity of the anchor tenant are all examples of factors which influence tenant demand.

Similarly, changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which the relevant Mortgaged Property depends for its tenant base may adversely affect the demand for such Mortgaged Property.

The inability to re-let on the same terms or at all will lead to lower rental income and lower property values, which could adversely affect the Issuer's ability to meet its obligations under the Notes.

Forfeiture for Breach of Covenant and/or Non-Payment of Rent

In the case of most of the leasehold Mortgaged Properties comprised in the Estate as at the date of this Base Prospectus, the lease under which the Mortgaged Property is held contains provisions providing for forfeiture (or in Scotland, irritancy) for breach of tenant's obligations and/or non-payment of rent. This is a usual provision in leasehold interests. The tenant would in respect of Mortgaged Property situated in England or Wales be able to apply to the Court for relief from forfeiture. This is an equitable remedy which is at the discretion of the Court; where relief is granted, it would usually be granted on terms requiring the tenant to cure the breach of obligation and/or pay the outstanding rent. The Court is entitled to grant the relief on such terms as it deems appropriate. No such relief exists regarding leasehold property situated in Scotland.

In respect of leasehold property in Scotland, limited statutory protection is available under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985. In the case of a monetary breach the landlord would not be able to terminate the lease unless a notice had been served on the tenant requiring payment under threat of irritancy. The minimum period of notice is 14 days or such longer period as the lease specifies. In the case of other breaches a landlord would not be

entitled to rely on the irritancy provisions in the lease if in all the circumstances a fair and reasonable landlord would not seek to do so.

Any forfeiture could have an adverse effect on Landsec Group's business both in terms of the impact on contracted rental income from any affected leases and from the consequential impact on the property value.

Turnover Rent

A modest proportion of the rental income relating to certain Mortgaged Properties is related to the relevant tenant's turnover. At 31 March 2022, approximately 5% of the rentals of the Security Group were based on the tenants' turnover and so are variable in nature. This may increase further as a result of the purchase of Mortgaged Properties which are subject to such tenancies, and leases entered into in the future may also contain provision for turnover rents. There can be no assurance that any such turnover rents will become payable if the relevant tenant's turnover threshold is not met or that they will remain at least at previous levels; hence the aggregated rentals deriving from Mortgaged Properties with turnover-based rentals (or which include turnover-based rentals) will fluctuate. Such fluctuations could adversely affect the Obligors' ability to meet their obligations in respect of the Intercompany Loan Agreement which may in turn adversely affect the Issuer's ability to meet its obligations under the Notes.

2. General Market Volatility

The value of the Landsec Group's portfolio and future rental values may fluctuate as a result of other factors outside the Landsec Group's control, including changes in laws and regulatory requirements (particularly in relation to planning, taxation and the environment), political conditions and developments, the condition of financial markets, the financial condition of customers, consumer confidence, employment trends, taxation levels, interest rates and inflation rates.

Rental revenues and property values are affected by changes in the general economic climate and market conditions, both nationally and globally.

A general downturn in the market is likely to have an adverse effect on the Landsec Group in terms of capital and rental values. This could either be a direct impact or indirect, by negatively impacting tenants and their ability to pay rent. This could adversely affect the Issuer's ability to meet its obligations under the Notes.

Current macro-economic conditions

While the global economy intially saw signs of strong recovery post the COVID-19 pandemic, fuelled by the reopening of many sectors, significant macro-economic risks remain. Inflation has been increasing significantly since mid-2021 due to supply chain issues, labour shortages and rising energy costs, reaching a 30 year high. The central banks, including the Bank of England and the US Federal Reserve, have responded by raising interest rates from their historic lows. There is a risk that rising interest rates may negatively affect asset values and the Group's ability to recycle assets.

The Russia-Ukraine conflict and its impact on the supply of energy and other critical commodities is adding further pressure to the inflationary trend. A prolonged period of rising inflation may develop into slow or stagnant economic growth if combined with slowing economic expansion and elevated unemployment. This might put pressure on consumer confidence and the Landsec Group's tenants' ability to pay rent and could adversely impact the Landsec Group's financial condition and results of operations. It may also significantly increase the cost of developments and the resultant return on capital.

Covid-19

The Landsec Group's business has been affected by the emergence of the COVID-19 pandemic and its consequential impact on the worldwide financial markets and macroeconomic conditions generally. There remains a risk of new COVID-19 variants which could result in governments in affected areas reimposing measures designed to contain the outbreak, including business closures, travel restrictions, stay-at-home orders and prohibition of gatherings and events. Ongoing uncertainties surrounding the COVID-19 pandemic, including the response of governments in the UK and globally, could continue to adversely impact the Group across numerous key financial and operational areas.

Brexit

Pursuant to a referendum held in June 2016, the UK left the European Union on 31 January 2020 ("**Brexit**"). On 24 December 2020, the EU and the UK agreed a trade and co-operation agreement (the "**TCA**") which was applied provisionally as of 1 January 2021 and entered into force on 1 May 2021. There are certain topics that the TCA does not cover or does not fully provide for. There therefore continue to be a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union.

More broadly, the impact of Brexit on the economic outlook of the Eurozone and the UK, and associated global implications, remain uncertain notwithstanding agreement of the TCA. As a result of Brexit there could be negative impact on the UK's gross domestic product, resulting in a reduction in business and consumer confidence. There might be a material disruption to the Landsec Group'ssupply chain and an increase in costs of the supply chain.

The Landsec Group may also be unable to retain or attract the same numbers of non-British staff from the European Union and there can be no assurance that the Landsec Group will be able to retain or attract the same or similarly skilled employees as are currently employed.

Given this uncertainty and the range of possible outcomes, no assurance can be given that any of the matters outlined above would not adversely affect the Landsec Group's business, financial condition and/or operating results.

3. Investment and development strategy

Developments

The terms of the Common Terms Agreement allow Obligors (other than FinCo) to refurbish, refit, develop or redevelop Mortgaged Properties and to undertake Developments. There can be no

assurance that any Developments undertaken will be completed on time or on budget, nor that they will be free from defects once complete or generate the expected levels of rentals. There can be no assurance that any Developments will be successfully let or re-let on completion or pre-let prior to completion or that payments made to gain vacant possession will be recovered. In adverse market conditions, the cost of a Development may be significantly more than its open market value on completion. Accordingly, any Developments may or may not become income producing to the extent expected and may instead remain or become a net drain on the resources of the Obligors, rather than a net contributor to the Obligors' rental income. Additionally, the Landsec Group may be unable to generate expected returns as a result of changes in the occupier market for a given Development during the course of that Development. If the Developments do not become net contributors to the Obligors' rental income or rental income is adversely affected during the construction period, development or redevelopment of these Mortgaged Properties may reduce the resources available to the Obligors to meet their obligations under the Obligor Transaction Documents and may adversely impact the Obligors' ability to make payments of interest and principal in respect of, amongst other things, the Intercompany Loan Agreement and the corresponding ability of the Issuer to make payments of interest and principal under the Notes when due and payable.

Reliance on Valuations

There is no assurance that the valuation of properties will reflect actual sale prices, even if the sale occurs shortly after the relevant valuation. Furthermore, there can be no assurance that the value of each of the Mortgaged Properties will continue at a level equal to or in excess of the valuations given in the Valuation Report.

To the extent that the value of each of the Mortgaged Properties fluctuates, there is no assurance that the aggregate of the value of the Mortgaged Properties will remain at least equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Intercompany Loan Agreement. If Mortgaged Properties are sold following an Obligor Event of Default, there is no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Intercompany Loan Agreement. This could adversely impact Issuer's ability to meet its obligations under the Notes.

Impact of Acquisitions and Disposals

The Landsec Group can, within the covenants of the Programme, make acquisitions and disposals of real estate. These acquisitions and disposals can change the size and composition of the Landsec Group's portfolio over time. There can be no assurance that these changes won't have a negative impact on rental income and/or property valuations which could adversely affect the Issuer's ability to meet its obligations under the Notes.

Liquidity risk

Liquidity risk is the risk that the Issuer, FinCo or the Landsec Group may be unable to meet ongoing financial obligations on time. If not able to meet ongoing financial obligations on time, it could have a material adverse effect on the Landsec Group's business, results of operations and financial condition.

Properties of the type included in the Landsec Group's portfolio can be relatively illiquid assets, which may affect the Landsec Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio on a timely basis and/or at satisfactory prices in response to changes in general economic conditions, property market conditions or other conditions. This could adversely affect the Issuer's ability to meet its obligations under the Notes

Neither the Issuer nor FinCo has, at the date of this Base Prospectus, entered into a liquidity facility which would provide it with an alternative source of funds in the event that either of them does not receive sufficient payment of interest on and repayments of principal under, in the case of the Issuer, the ICL Loans or, in the case of FinCo, intercompany loans made by FinCo to the other Obligors. The Common Terms Agreement provides that, in certain circumstances (as to which see "— *Mandatory Liquidity Provisions*", page 112, below), a Liquidity Facility Agreement will be put in place by FinCo. However, no assurance can be given that in such circumstances an entity willing to act and which is approved by the Obligor Security Trustee, or willing to act at all, will be found. Consequently, no alternative source of funds may be available to FinCo.

Overseas Properties and Properties outside England and Wales

The Landsec Group has the ability to invest in properties outside the UK and create security over them, although this is limited to 5% of the Total Collateral Value. Within the UK, the Landsec Group can invest up to 40% of the Total Collateral Value in properties outside England and Wales. Specific issues in relation to the enforcement of security in different countries vary and the Landsec Group may be subject to different security laws and regulation, or review and regulation by certain authorities. There is a risk that these differences could lead to an increase in costs, fall in rental income and/or a fall in property values which could adversely affect the Issuer's ability to meet its obligations under the Notes.

Insurance

The Common Terms Agreement requires the Security Group to maintain or procure that there is maintained certain insurance cover with respect to the Estate consistent with market practice among broadly based property investment and development businesses whose assets are primarily located in the UK. Such requirement will be subject to the availability of such insurance generally in the global insurance market. The Security Group and the Estate may remain exposed to certain uninsured risks, for example, where insurance is not generally available or is not available on commercial terms. FinCo's ability to make payments under the Intercompany Loan Agreement may be adversely affected if an uninsured or uninsurable loss were to occur which could ultimately negatively impact Issuer's ability to meet its obligations under the Notes. Currently there is insurance in place in respect of the Estate.

4. Operational Risks

Climate related risk

There is a risk that the Landsec Group is unable to meet its commitment to reduce its carbon footprint by 2030 in time or such commitment is achieved at a significantly higher cost than expected. This may adversely impact the Landsec Group's reputation or result in regulatory action

being taken against it, which could ultimately negatively affect the Issuer's ability to meet its obligations under the Notes.

Climate-related risk may also impact the Landsec Group's business activities through acute physical risks such as flooding and windstorm, and chronic risk such as rising average temperatures and sea levels. Any of these factors could cause an increase in costs, a reduction in rental income and/or a fall in property values which could ultimately adversely affect the Issuer's ability to meet its obligations under the Notes.

Major health, safety and security incident

There is a risk that major health, safety or security incidents can cause significant business interruption at Landsec Group's assets. This could be a local issue that impacts one or a small number of assets or a wider international issue which impacts all assets. In the most extreme circumstances assets may need to be closed for a considerable period of time which would have a detrimental impact on the operations of our occupiers and their ability to pay rent.

A major health, safety or security related threat could result in:

- Serious injury, illness or loss of life of employees, partners, occupiers or visitors to its properties
- Criminal/civil proceedings
- Loss of consumer confidence
- Delays to building projects and access restrictions to its properties resulting in loss of income
- Reputational impact
- Increased costs, reduced rental income and/or a fall in property values

Any of these factors could adversely affect the Issuer's ability to meet its obligations under the Notes.

Information security and cyber threat

Failure in the Landsec Group's technology systems could be caused by human error, damage or interruption from fire, natural disasters, extended power loss, telecommunications failure, unauthorised entry and malicious computer code, industrial action and acts of war or terrorism. There can be no certainty that the Landsec Group's disaster recovery plans and contingency plans will be effective in the event that they need to be activated. The failure of these technology systems, or the corruption of data held on these technology systems, could severely restrict the ability of the Landsec Group to continue to operate. Each of these matters could materially adversely affect the Landsec Group's business, reputation, financial condition and/or operating results. This could ultimately negatively impact Issuer's ability to meets its obligations under the Notes.

Reliance on key suppliers

The failure or loss of a major supplier or service provider or a material change of the terms on which the Landsec Group obtains its key products and services (including as a result to the Russia-Ukraine conflict) could adversely affect its business. The Landsec Group might incur cost and delays as it sought alternative arrangements, which could lead to a downturn in its financial performance which could ultimately adversely affect the Issuer's ability to meet its obligations under the Notes.

People and skills

The Landsec Group is exposed to the risk of failing to attract, retain and develop the right people and skills required to deliver the business objectives in a culture and environment where employees can thrive. This risk has also increased to reflect increasing attrition rates due to external market conditions and a buoyant recruitment market following the COVID-19 pandemic. Failure to attract and retain a highly skilled workforce, including at management level, could have a material adverse effect on the Landsec Group's operations.

Compulsory purchases by government departments or local authorities

Any property in the United Kingdom may at any time be compulsorily acquired by a government department or a local authority, in connection with proposed redevelopment or infrastructure projects. If the amount received from the proceeds of purchase of the relevant freehold, heritable or long leasehold estate are inadequate to cover the loss of cash flow from such Mortgaged Property, the Obligors' ability to meet their obligations in respect of the Intercompany Loan Agreement and the other Obligor Transaction Documents and the corresponding ability of the Issuer to make payment of principal and interest under the Notes when due and payable may be adversely affected.

5. Debt specific factors

Notes obligations of Issuer only

The Notes will be the obligations solely of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, any of the Other Parties or any company (other than the Issuer) in the Landsec Group. Furthermore, no person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Special Purpose Company: sources of funds to meet the Issuer's obligations under the Notes

The Issuer is a special purpose company with no business operations other than the issue of the Notes, the lending of the proceeds to FinCo under the Intercompany Loan Agreement and certain ancillary activities. The ability of the Issuer to meet its obligations under the Notes and to pay its limited operating and administrative expenses will be dependent on the receipt by it of amounts payable by FinCo under the Intercompany Loan Agreement and/or the performance by the Obligors of their obligations under the Guarantees. Other than the foregoing, prior to the

enforcement of the Issuer Security and the Obligor Security, the Issuer will not have any significant funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes.

Issuer Security

Although the Note Trustee will hold the benefit of the Issuer Security on trust for the Noteholders, such security interests will also be held on trust for certain third parties. The Issuer's obligations to such third parties rank ahead of the Noteholders. Such persons include, amongst others, the Note Trustee, the Registrar, the Transfer Agents, the Paying Agents, the Account Bank and any Replacement Cash Manager in respect of certain amounts owed to them (see "— *Issuer Deed of Charge*", page 233, below).

Issuer Priority of Payments

The Issuer has agreed to apply amounts standing to the credit of the Issuer Accounts in accordance with the order of priority of payments set out in the Issuer Deed of Charge. Under this priority of payments, amounts due in respect of the Notes rank behind certain of the Issuer's other obligations. Such other obligations are owed to, amongst others, the Note Trustee, the Registrar, the Transfer Agents, the Paying Agents, the Account Bank and any Replacement Cash Manager. In addition, certain classes of Notes will rank in priority to other classes of Notes (see "— *Issuer Pre-Enforcement Priority of Payments*", page 233, below).

Obligor Security

The procedures for the enforcement of the Obligor Security are regulated by the Security Trust and Intercreditor Deed. Even if steps are taken under the Security Trust and Intercreditor Deed to enforce the Obligor Security, such steps may not result in immediate realisation of the Charged Property, and a significant delay could be experienced in recovery by the Obligor Security Trustee of amounts owed on any ICL Loans and other Secured Financial Indebtedness. Furthermore, a forced sale of Mortgaged Properties will be subject to prevailing market conditions and, due to the number of Mortgaged Properties involved, the sale of the Mortgaged Properties may take a significant amount of time in an enforcement scenario, which would affect the rate at which the enforcement proceeds are realised and their amount. There can be no assurance that the Obligor Security Trustee would recover amounts sufficient to discharge all Secured Financial Indebtedness upon enforcement of the Obligor Security and accordingly sufficient funds may not be realised or made available to make all required payments to the Issuer and, in turn, the Noteholders.

Security Group Priority of Payments

The Cash Manager has agreed to apply Available Cash to make payments in accordance with the Security Group Pre-Enforcement Priority of Payments. Monies received or recovered by the Obligor Security Trustee (or any Receiver appointed by it), in respect of the enforcement of the Obligor Security held by the Obligor Security Trustee or otherwise (save for Swap Excluded Amounts), together with monies received or recovered by the Note Trustee (or any Receiver appointed by it) and paid to the Obligor Security Trustee, in respect of enforcement of security created under the Obligor Floating Charge Agreement will (to the extent lawful) be applied in

accordance with the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments and the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments (as appropriate). Under these priorities of payments, amounts due in respect of ICL Loans rank behind and, in some cases, *pari passu* with certain other obligations. In addition, certain classes of ICL Loans will rank in priority to other classes of ICL Loans with the result that Notes corresponding to the higher ranking ICL Loans will rank in priority to Notes corresponding to the lower ranking ICL Loans (see "— *Security Group Pre-Enforcement Priority of Payments*", page 198, "— *Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments*", page 205, and "— *Security Group Post-Enforcement (Post-Acceleration) Priority of Payments*", page 210, below).

Notwithstanding the above, ICL Loans and ACF Loans may be prepaid by the Obligors in any order irrespective of their debt rankings, provided that such prepayment does not breach the provisions of the Sequential Prepayment Regime or the terms of the Security Trust and Intercreditor Deed (see "— *Order of Prepayment*", page 118, below). This ability to prepay the loans and thereby not follow the debt rankings under these circumstances could have an adverse effect on the value and return on any Notes issued under the Programme.

Conflict of Interest

Conflicts of Interest between Noteholders

The Trust Deed and Condition 4(b) (*Relationship among Noteholders and with other Issuer Secured Creditors*) require the Note Trustee to have regard to the interests of all the Noteholders (so long as any of the Notes remain outstanding) equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee as if they formed a single class (except where expressly required otherwise). However, the Trust Deed and Condition 4(b) (*Relationship among Noteholders and with other Issuer Secured Creditors*) also require that, in the event of a conflict between the interests of the holders of any Class of Notes, the Note Trustee shall have regard to the interests of the holders of the Most Senior Class of Notes then outstanding.So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Trust Deed, the Note Trustee is only required to have regard to the interests of the Noteholders or, as the case may be, the holders of the Most Senior Class of Notes then outstanding and not to the interests of the other Issuer Secured Creditors.

Conflicts of Interest between Debtholders

Although the Issuer (rather than the Noteholders) is an Obligor Secured Creditor of the Security Group in respect of its Secured Obligations, being the ICL Loans provided to FinCo under the Intercompany Loan Agreement, the Security Trust and Intercreditor Deed shall provide that certain Noteholders (to the extent that they are Qualifying Debtholders), rather than the Issuer, will be able to vote (acting through their Representative, being the Note Trustee) in Debtholders' Meetings, to instruct the Obligor Security Trustee (by way of a Secured Creditor Instruction) on, amongst other things, the taking of any Enforcement Action in respect of the Obligor Security. In any Debtholders' Meeting, Qualifying Debtholders may or may not consist of Noteholders, or may only consist of a certain Class or Classes of Noteholders.

Any proposed Secured Creditor Instruction duly approved at a Debtholders' Meeting will be binding on all Obligor Secured Creditors, including the Issuer (and therefore such Secured Creditor Instruction will indirectly affect the Noteholders and/or their rights).

The Security Trust and Intercreditor Deed provides that in circumstances where the Qualifying Debtholders for a Debtholders' Meeting consist of Debtholders of different categories (as regards Noteholders and/or ACF Providers) or different Classes or Sub-Classes of Debtholders which in the opinion of the Obligor Security Trustee gives or may give rise to a conflict of interest as between such Qualifying Debtholders, the Obligor Security Trustee may, in its discretion, convene separate Debtholders' Meetings in respect of, as the case may be, each Class of Qualifying Debtholders (or in each case, each Sub-Class thereof (if any)). In these circumstances, a Secured Creditor Instruction shall be deemed to be approved if, in lieu of being passed at a single Debtholders' Meeting, it is duly approved at separate Debtholders' Meetings of each Class of Qualifying Debtholders, Noteholders or ACF Providers (or any Sub-Class thereof) (see further "— *Conflict of Interest*", page 198, below). If, however, the Obligor Security Trustee is of the opinion that no conflict of interest would arise as a result of convening a single Debtholders' Meeting, any such proposed Secured Creditor Instruction duly approved at a Debtholders' Meeting shall be binding on all Noteholders insofar as such Secured Creditor Instruction affects them and/or their rights.

Unsecured Creditors of the Security Group

Unsecured creditors of the Security Group will not become parties to the Common Terms Agreement or the Security Trust and Intercreditor Deed and so will have rights of action in respect of their debts which are independent from those of the Obligor Secured Creditors. Unsecured creditors will accordingly be entitled to petition for a winding-up or administration of any Obligor who is liable for such debts. Although the aggregate amount of Unsecured Debt that the Security Group can incur will be restricted to the Unsecured Debt Limit under the Common Terms Agreement, there may be other unsecured creditors (such as trade creditors and tax authorities) who could also exercise such rights (see "— *Permitted Financial Indebtedness*", page 108, below).

Extent of security for FinCo's Obligations

FinCo's obligations to the Issuer under the Intercompany Loan Agreement are secured by floating charges granted by FinCo and each of the other Obligors in favour of the Issuer under the Obligor Floating Charge Agreement and by the security and guarantees granted to the Obligor Security Trustee under the other Obligor Security Documents (other than the floating charges granted under the Security Trust and Intercreditor Deed). FinCo's obligations are not secured or guaranteed by any of the Other Parties or any company (including the Issuer) in the Landsec Group other than the Obligors (see also "— *Reliance on Non-Restricted Group*", page 55, below).

General

The covenants, representations and warranties in the Common Terms Agreement and the other Transaction Documents restrict the ability of the Security Group to change the way in which it operates its business. However, the property investment and management business in the United Kingdom has undergone many changes in recent years and may undergo further changes in the

future that could make future operation of the Security Group under these provisions more difficult or impractical. Changes to the provisions of the Transaction Documents may be required over time due to changes to the business environment within which the Security Group operates. However, while the Transaction Documents provide various mechanisms for changes to be made to them (e.g. through Basic Term Modifications and Rating Affirmed Matters), there can be no assurance that the Security Group will be able to change the provisions of the Transaction Documents in such circumstances (e.g. because the Ratings Test is not satisfied in respect of the proposed change or a relevant Blocking Right is exercised), and this may affect the ability of the Obligors to meet their obligations under the Intercompany Loan Agreement and, consequently, the ability of the Issuer to meet its obligations under the Notes.

Modifications, Waivers and Consents in respect of Transaction Documents

The Security Group may request the Obligor Security Trustee to agree to any modification to, or to give its consent to any event, matter or thing relating to, or grant any waiver in respect of, the Obligor General Transaction Documents (other than a Basic Terms Modification or a modification to, or waiver in respect of, the Financial Covenant). The Issuer may also request the Note Trustee to agree to make any modification to, or to give its consent to any event, matter or thing, or grant any waiver in respect of, the Issuer Transaction Documents (other than a Basic Terms Modification or a change in respect of the Financial Covenant).

The Obligor Security Trustee or the Note Trustee (as the case may be) will, subject to the exercise of any Blocking Rights, consent to such request if:

(a) in its opinion, the interests of the Most Senior Class of Debtholders then outstanding (in the case of the Obligor Security Trustee) or the Most Senior Class of Noteholders then outstanding (in the case of the Note Trustee) would not be materially prejudiced thereby; or

(b) in its opinion, it is required to correct a manifest error or an error in respect of which an English court could reasonably be expected to make a rectification order or is of a formal, minor or administrative or technical nature or is necessary or desirable for the purposes of clarification; or

(c) it is required or permitted, subject to the satisfaction of specified conditions, under the terms of any Obligor General Transaction Document or Issuer Transaction Document (as the case may be) and such conditions are satisfied; or

(d) in relation to a Rating Affirmed Matter or modifications pursuant to an Accepted Restructuring Purpose or Proposed Non-UK Obligor Modification, the Ratings Test is satisfied or, if a Ratings Test is not sought or satisfied, P1 Debtholders and/or P2 Debtholders confirm such modifications to the extent they would be materially prejudiced thereby.

There can be no assurance that any modification, consent or waiver in respect of the Obligor Transaction Documents or Issuer Transaction Documents will be favourable to all Noteholders (or any Class or Sub-Class thereof). Such changes may be detrimental to the interests of some or all Noteholders (or any Class or Sub-Class thereof), despite the ratings of such Notes being

affirmed. The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee may seek the approval of, amongst others, the Most Senior Class of Noteholders (through the Note Trustee, by way of an Extraordinary Resolution) as a condition to, amongst other things, concurring in making modifications to, giving consents under or granting waivers in respect of breaches or potential breaches of, the Obligor General Transaction Documents (other than Basic Terms Modifications, modifications or waivers of the Financial Covenant or creating or changing the Secondary Debt Ranks or the Primary Debt Ranks, in respect of which specific procedures apply). Therefore, certain modifications to, consents under or grants of waivers in respect of breaches or potential breaches of, the Obligor Transaction Documents may be approved without the consent of every Noteholder.

Reliance on Non-Restricted Group

FinCo's ability to make payments on ICL Loans and ACF Loans may, to a certain extent, be impacted by the repayments of interest and principal by LSP in respect of the Day One Loan (see "— Outstanding Debt Between the Security Group and the Non-Restricted Group", page 83, below and "— *Land Securities Intra-Group Funding Deed*", page 228, below).

If payments of interest or principal under the Day One Loan are not received on their due date and any resultant shortfall is not otherwise compensated for from other resources of the Obligors (such as rental payments or property disposals mentioned above) and, as a result, FinCo is unable to pay any amount due on any ICL Loan Payment Date, the Issuer will have insufficient funds to pay the corresponding amount in respect of the corresponding Notes. Save in the case of the Most Senior Class of Notes, payment of any such amount will be deferred. The repayment of and payment of interest on the Day One Loan is dependent on the performance of the business of LSP and, in turn, of its borrowers in the Non-Restricted Group.

No assurance can be given that the resources available to the Obligors will, in all cases and in all circumstances, be sufficient to cover any shortfall in any payments to be made under the Day One Loan and that such a deferral, an Obligor Event of Default or (in extreme circumstances where there is a failure to pay an amount due in respect of the Most Senior Class of Notes) an Issuer Event of Default, will not in fact occur as a result of the late or non-payment of amounts due under the Day One Loan.

Investigations of Title

Developments Vested in Limited Liability Partnerships

If the building contract in respect of a Mortgaged Property under development is vested in a limited liability partnership, there is a risk that if an administrator was appointed to the limited liability partnership there may be a loss of control of ability to build out the development. Covenants are contained in the Common Terms Agreement which provide that prior to completion of the development the relevant Obligors will endeavour to procure the grant of "step-in" or equivalent rights in favour of the Obligor Security Trustee or its nominee, in default of which monies will be deposited in a controlled account to a sum estimated to be sufficient to meet the remaining build-out cost of the development. As at the date of this Base Prospectus, there are no such developments vested in limited liability partnerships.

Further Credit Assets

The Obligors are permitted to introduce into the Estate certain properties (including developments) which form part of the assets of a partnership or joint venture (including partnerships and joint ventures which are not wholly owned by the Security Group), as well as certain non-property assets (such as interests in partnerships, joint ventures and or Jersey unit trusts), provided that the Obligors comply with such criteria (including criteria as to the relevant Agreed Forms of Legal Opinion, Agreed Forms of Security, Agreed Forms of Security Document and the extent to which such properties or non-property assets are to be accounted for in the determination of Total Collateral Value) as may be agreed between the Obligors, the Obligor Security Trustee and the Rating Agencies from time to time. In the case of partnerships and joint ventures which are not wholly owned by the Security Group the following issues arise:

(a) the partnership or joint venture owns the underlying property and not the Obligor. Accordingly, the underlying property itself is not being charged as a Mortgaged Property or a Further Credit Asset. Instead the Obligor's interest in the partnership or joint venture is being charged. Therefore, on an enforcement, the Obligor Security Trustee will acquire the Obligor's partnership interest, not the underlying property. There may be certain restrictions on enforcement by way of transfer of such partnership interests. Further, the underlying property would not fall within the covenants or representations and warranties which would usually apply to the Mortgaged Properties or the Estate. However, where this arrangement is used the relevant Obligor will treat a number of key restrictive covenants as well as representations and warranties that apply to a Mortgaged Property as applying equally to the underlying property and, to this extent, the underlying property will be treated by the Obligor as if it were a Mortgaged Property; and

(b) the security granted over the Obligor's interests in the partnership or joint venture will not allow for complete control over the partnership or joint venture in an enforcement scenario because the interests of other joint venture partners will not be charged. Generally, the agreement of both partners will be required for major decisions, and the Obligor Security Trustee would therefore need to obtain the consent of the other partner in order to make certain decisions in relation to the underlying partnership assets or business.

Mortgagee in Possession Liability

Where the Obligor Security Trustee takes enforcement proceedings under the Obligor Security Documents, the Obligor Security Trustee may be deemed to be, in respect of Mortgaged Properties in England, a mortgagee in possession and, in respect of Mortgaged Properties in Scotland, a heritable creditor in possession if there is a physical entry into possession of any Mortgaged Property or an act of control or influence which may amount to possession (such as receiving rental income directly from a relevant tenant). A mortgagee or heritable creditor in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner. The Obligor Security Trustee has the absolute discretion at any time to refrain from taking any action under the Obligor Transaction Documents including becoming a mortgagee or a heritable creditor in possession in respect of a Mortgaged Property unless it is satisfied at the time that it is adequately indemnified and/or secured to its satisfaction.

Proposed Non-UK Structural Changes

The Common Terms Agreement contains provisions which permit the Security Group, without the consent of the Debtholders, to agree with the Obligor Security Trustee and the Note Trustee the transfer of one or more Mortgaged Properties by any one or more Obligors to, or the acquisition of Mortgaged Properties by, a non-UK resident and incorporated person and to make associated modifications to the terms and conditions of the Common Terms Agreement, the Tax Deed of Covenant and/or the other Transaction Documents (see "*— Restructuring of the Security Group and the Estate*", page 99, below). In order to implement any such changes, any two Rating Agencies must confirm that the Ratings Test is satisfied in relation to such changes.

There can be no assurance that any changes to the Transaction Documents or to the Security Group made pursuant to the aforementioned provisions in the Common Terms Agreement will be favourable to or in the interests of Noteholders (or any Class or Sub-Class thereof). Such changes may be detrimental to Noteholders (or any Class or Sub-Class thereof), despite the ratings of such Notes being affirmed in connection with the proposed changes.

Tax consequences of introducing Non-UK Obligors

If Mortgaged Properties are transferred to a Non-UK Obligor, any such transfer may give rise to a charge to UK tax on chargeable gains for Obligors (subject to the exemption for sales by members of the LS REIT Group of assets used for the purposes of their property rental business, as outlined below). In addition, no assurance can be given that, where a Non-UK Obligor has been introduced, there will not be a subsequent change of law or practice in the UK or the relevant Approved Jurisdiction that could affect the tax treatment of that Obligor. In either case, such event could, indirectly, affect the ability of FinCo to meet its payment obligations under the Intercompany Loan Agreement which could adversely affect the Issuer's ability to meet its obligations under the Notes.

Withholding tax in respect of the Notes

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Notes (as to which, in relation to current United Kingdom tax legislation, see the section "United Kingdom Taxation" below), neither the Issuer nor any Paying Agent nor any other person will be obliged to pay any additional amounts to Noteholders or, if Definitive Notes are issued, Couponholders or to otherwise compensate Noteholders and/or Couponholders for the reduction in the amounts they will receive as a result of such withholding or deduction.

If such a withholding or deduction is required to be made by reason of a change in law, the Issuer will have the option (but not the obligation) of redeeming all outstanding Notes in full at their Principal Amount Outstanding plus accrued but unpaid interest (each adjusted, in the case of Indexed Notes, in accordance with Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable) thereby shortening the life of the Notes. For the avoidance of doubt, neither the Note Trustee nor Noteholders nor, if Definitive Notes are issued, Couponholders, will have the right to require the Issuer to redeem the Notes in these circumstances.

Class R Notes

The Issuer may, if any Class R Underwriting Agreement is entered into and subject to satisfaction of certain conditions, resell or procure the resale of any Class R Notes (as described in "— *B. Class R Underwriting Agreements*", page 367, below) in order to finance the repurchase price of outstanding Class R Notes (or to raise additional debt). One of those conditions will be that there is no Issuer Event of Default or Potential Issuer Event of Default. Following the occurrence of an Issuer Event of Default or Potential Issuer Event of Default, the Class R Underwriters will not be obliged to purchase Class R Notes from the Issuer pursuant to the relevant Class R Underwriting Agreement.

The Issuer will not be required to repurchase any Class R Notes from the holders of such Notes from time to time if such repurchase cannot be financed by the resale of such Class R Notes to the Class R Underwriters, either because the Class R Underwriters are not obliged to purchase them for the above-mentioned reason or because the Class R Underwriters have not paid the Issuer the price for such Class R Notes in respect of their resale. Investors in Class R Notes thereby take the risk of continuing to hold Class R Notes beyond Note Payment Dates where the Class R Underwriters do not finance the repurchase of such Class R Notes by the Issuer. This risk is, however, mitigated by the requirement that the Class R Underwriters shall have the Minimum Short Term Ratings.

6. Other

Ratings

Notes issued under this Base Prospectus will have the ratings set out in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation, and each security rating should be evaluated independently of any other rating.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the

case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

A security rating will depend on, among other things, certain underlying characteristics of the business of the Security Group from time to time. Ratings do not address the likelihood of timely or ultimate payment of any Note Step-Up Amount. If any rating assigned to the Notes then outstanding is lowered or withdrawn, the market value of such Notes may be reduced. In addition, at any time any Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the new and existing Notes may be affected.

Any Rating Affirmation given by a Rating Agency and/or any satisfaction of a Ratings Test:

(i) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes;

(ii) does not address whether any relevant event, matter or circumstance is permitted by the Transaction Documents; and

(iii) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or Obligor Secured Creditors.

Furthermore, there can be no assurance that the Rating Agencies will take the same view as each other in relation to a Ratings Test, which may affect the Security Group's ability to adapt the structure of the transaction to changes in the market over the long term.

Hedging Risk

All payments by Obligors under the Swap Agreements, other than any obligation to pay Swap Termination Amounts and Swap Subordinated Amounts (which will, to the extent of any amount of premium received from a replacement swap counterparty providing a replacement Swap Transaction, be discharged directly by the application of any such amount and will fall outside the scope (to the extent lawful) of the Security Group Priorities of Payments) and any obligation to pay amounts due and payable pursuant to a Swap Excluded Obligation (which will fall outside the scope (to the extent lawful) of the Security Group Priorities of Payments), will rank in priority to payments due to the Issuer under the Intercompany Loan Agreement under the relevant Security

Group Priority of Payments. If any Swap Counterparty fails to provide an Obligor with the amount due under any Swap Agreement on any Loan Payment Date or if a Swap Agreement (or any transactions thereunder) is otherwise terminated (see "*Hedging Arrangements — Termination*", page 229, below), the Obligors may have insufficient funds to make payments due in respect of the Intercompany Loan Agreement.

If any hedging transaction is terminated due to it no longer being required to comply with the Hedging Covenant or due to any other reason, then a termination payment may become due under the relevant Swap Agreement.

Terms relating to the notes

Notes where denominations involve integral multiples: Definitive Notes

In relation to any issue of Notes which have denominations consisting of the minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a principal amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Index Linked Notes

The Issuer may issue Notes on terms that the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of the Notes will be calculated by reference to movements in (a) the U.K. Retail Prices Index ("**RPI**") or (b) the euro area Harmonised Index of Consumer Prices ("**HICP**") during a reference period ("**Index Linked Notes**"). Each of RPI and HICP may go down as well as up.

Where the amount of interest payable on any tranche of Notes is subject to adjustment by reference to RPI or HICP, a decrease in RPI or HICP (as applicable) over the reference period will reduce the amount of interest payable in respect of such Notes. In a deflationary environment, the annual interest received may be lower than the rate of interest specified in the applicable Final Terms.

Where the amount payable upon redemption of any tranche of Notes is subject to adjustment by reference to RPI or HICP, a decrease in RPI or HICP (as applicable) over the reference period will reduce the amount to be repaid upon redemption of such Notes to less than the nominal

amount of such Notes, unless the applicable Final Terms specifies a minimum redemption amount which is equal to or higher than the nominal amount of such Notes.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Redemption provisions

Fixed Rate Notes may be optionally redeemed pursuant to Condition 8(b)(i)(A) (*Optional Redemption*) at a redemption amount which will be referenced to the Relevant Swap Mid Curve Rate at the time of such calculation. As the redemption premia on Fixed Rate Notes calculated by reference to the Relevant Swap Mid Curve Rate may be lower than if such premia were calculated by reference to spens or some other rate, the Issuer may be more likely to redeem the Notes prior to their scheduled maturity. Fixed Rate Notes may also be optionally redeemed pursuant to Condition 8(b)(i)(B) and Condition 8(b)(i)(C) (*Optional Redemption*).

If 80% or more in nominal amount of the Notes of a Sub-Class of Notes then outstanding have been redeemed or repurchased (the "**relevant threshold**") pursuant to Condition 8 (*Redemption, Purchase and Cancellation*), the Issuer may redeem all outstanding Notes. This feature of the Notes may have an impact on their market value. When the relevant threshold is met the Issuer may elect to redeem the Notes in which period the market value of these Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. If the Issuer redeems the Notes when its cost of borrowing is lower than the interest rate on the relevant Notes, there can be no assurance that the investor will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower interest rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such benchmarks

Interest rates and other indices which are deemed to be "benchmarks" (including the Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, the Benchmarks Regulation (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of

“benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing, or otherwise dependent (in whole or in part) upon a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark becomes unavailable. Such fallback arrangements include the possibility that the Interest Rate could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an adjustment spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). An Adjustment Spread (as defined in the Terms and Conditions of the Notes), if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply an Adjustment Spread and even if an adjustment is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Interest Rate. The use of a Successor Rate or Alternative

Reference Rate (including with the application of an Adjustment Spread) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Interest Rate) than they would if the relevant benchmark were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Interest Rate for a particular Note Interest Period may result in the Interest Rate for the last preceding Note Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to SONIA as a reference rate

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates which seek to measure the market's forward expectation of an average SONIA rate over a designated term.

The Interest Rate on any Floating Rate Notes referencing SONIA will be determined on the basis of Compounded Daily SONIA administered by the Bank of England. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions of the Notes and used in relation to relevant Notes that reference a SONIA rate issued under this Base Prospectus.

The Issuer may in the future also issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Notes issued by it under this Base Prospectus. The development of Compounded Daily SONIA as interest reference rates for the Eurobond markets, as well as continued development of SONIA based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or

increased volatility or could otherwise affect the market price of any SONIA referenced Notes issued under this Base Prospectus from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Note Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes.

Since SONIA is a relatively new market index, Floating Rate Notes or Fixed to Floating Rate Notes linked to or which reference a SONIA rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to or which reference a SONIA rate may evolve over time and trading prices of such Notes may be lower than those of the later issued Notes that are linked to or which reference a SONIA rate as a result. Further, if SONIA does not prove to be widely used in securities like the Notes, the trading price of Floating Rate Notes or Fixed to Floating Rate Notes linked to or which reference a SONIA rate may be lower than those of Notes linked to or which reference indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. In addition, investors should be aware that risk-free rates may behave materially different to interbank offered rates as interest reference rates.

Marketability

Some or all of the Notes issued from time to time will be new securities for which there is no established trading market. An active trading market may not develop or, if developed, may not be maintained. Consequently, prospective purchasers of the Notes should be aware that they may have to hold the Notes until their maturity. In addition, the market value of the Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Notes by Noteholders in any secondary market that may develop may be at a discount to the original purchase price of such Notes (see also "— *Refinancing risk*", page 65, below).

In addition, the forced sale into the market of debt securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that experience funding difficulties could adversely affect the ability of investors to sell, and/or the price they receive for, the Notes in the secondary market. As a result, the secondary market for debt securities, such as the Notes, could experience limited liquidity.

Over-supply in the secondary market may continue to have an adverse effect on the market value of debt securities, with especially high volatility in those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, the market value of the Notes is likely to fluctuate. Any of these fluctuations may be significant.

Refinancing risk

The ability of the Security Group to operate its business depends in part on being able to raise funds by entering into ACF Agreements with ACF Providers or issuing further Notes under the Programme. The ACF Loans are, in general, of a shorter maturity than the Notes. There can be no assurance that the Security Group will be able to find ACF Providers who are willing to refinance ACF Loans on their maturity on terms no worse than the Existing ACF Agreements, or at all. Accordingly, if the terms of the Obligor Transaction Documents are not able to be modified to accommodate new ACF Providers and the ACF Loans are not refinanced on their maturity, this could severely affect the ability of the Security Group to raise finance to support its business. Similarly, there can be no assurance that there will be a market for any further Notes issued by the Issuer and for the Security Group to thereby raise finance to support its business. This, in turn, may require changes to the structure of the transaction which, if such changes are not made, may affect the ability of the Obligors to meet their obligations under the Obligor Transaction Documents (see "— *Marketability*", page 64, above).

Specific Use of Proceeds

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and/or other environmental purposes or sustainable or social activities (either in those words or otherwise) ("**Green Projects**"). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is or can be given by the Issuer, the Dealers or any other person that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet, or continue to meet on an ongoing basis, any or all investor expectations regarding such "green", "Green" or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given by the Issuer, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party

(whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued and the criteria and/or considerations that informed the provider of such opinion or certification may change at any time. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

None of the Dealers shall be responsible for (i) any assessment of any Green Projects, (ii) any verification of whether a relevant Green Project falls within an investor's requirements or expectations of a "green" or "sustainable" or an equivalently-labelled project or (iii) the ongoing monitoring of the use of proceeds in respect of any such Notes.

Tax

*Taxation – Real Estate Investment Trust ("**REIT**")*

Landsec Group has been a REIT since the UK introduced the status in 2007. REITs move responsibility for the payment of tax from the REIT to its shareholders.

Under REIT legislation, Landsec is exempt from UK corporation tax on UK property investment income, gains on UK property and gains on UK property rich entities. However, it must pay out at least 90% of underlying tax-exempt property income (not gains) to shareholders as a Property Income Distribution ("**PID**") within 12 months, or pay corporation tax on any PID shortfall. PIDs are subject to withholding tax at 20%, unless investors have informed Landsec about their qualification for gross payments. Tax is borne by Landsec's shareholders on these dividends, according to their tax status.

Landsec is still subject to corporation tax on any residual (non tax-exempt) income. This includes profits on trading activities (such as properties developed with a view to a sale), capital gains on UK property assets or companies sold within three years of completion of a development, and non-UK property assets.

No assurance can be given over Landsec's continued involvement in the REIT regime or that any changes in the regime won't adversely impact Landsec's financial condition and/or operating performance.

United Kingdom Taxation Position of the Security Group

Under current United Kingdom taxation law and practice, qualifying rental income received by companies within the Security Group will constitute tax exempt income and non-qualifying income will constitute residual taxable income for United Kingdom corporation tax purposes. The tax-exempt business is "ring-fenced" for corporation tax purposes, so that it is not possible to offset profits and losses of the tax-exempt business of the Security Group against the profits and losses of its non-tax exempt business (including non-qualifying income).

In general, interest costs of companies within the Security Group associated with the borrowing by FinCo under the ICL Loans and by the Obligors under the ACF Loans and on the on-lending of those proceeds within the Security Group which in each case relate to the non-tax exempt business of the Security Group, should, under current law and practice (subject to the interest deductibility restriction rules described in the section entitled "Taxation – Interest Deductibility" below), generally be deductible from the residual taxable income, broadly in accordance with their accounting treatment, in computing the liability to corporation tax of those companies. However, repayment of the principal amounts borrowed by companies within the Security Group cannot be so deducted. As a consequence, part of the non-qualifying income received by such companies which would otherwise be available to repay principal will be required to be applied to discharge

the corporation tax liabilities of those companies unless the taxable income of those companies can itself be reduced or eliminated by the surrender of tax losses or otherwise.

As noted below, there can be no assurance that United Kingdom taxation law and practice will not change in a manner (including, for example, an increase in the rate of corporation tax) that would adversely affect the ability of members of the Security Group to pay interest and repay amounts of principal under the ICL Loans and the ACF Loans. If, in turn, the Issuer does not receive all amounts due from FinCo under the Intercompany Loan Agreement, the Issuer may not have sufficient funds to enable it to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or *pari passu* with, the Notes.

In addition, in relation to the Existing ACF Agreements, Noteholders should be aware that certain terms included within the Existing ACF Agreements could be regarded as resulting in interest payable under any Existing ACF Agreement being regarded as dependent on the results of FinCo's business. If interest were to be regarded as dependent on FinCo's results, then a deduction would not be available for such interest to the extent that any lender under any Existing ACF Agreement is not subject to United Kingdom corporation tax on the interest payable by FinCo. Where FinCo is the borrower under any Existing ACF Agreement, it will on-lend the proceeds of any drawing under such Existing ACF Agreement to other Obligors and so will be in receipt of interest income on such on-loans. To the extent interest under any Existing ACF Agreement were not deductible, therefore, there would be a potential mismatch for tax purposes in FinCo which could adversely affect FinCo's ability to make full and timely payment of interest and principal on the ICL Loans and the ACF Loans. This could ultimately adversely affect the Issuer's ability to meet its obligations under the Notes.

Secondary Taxation Liabilities

Where a company fails to discharge certain taxes due and payable by it within a specified time period, United Kingdom taxation law imposes, in certain circumstances (including where that company has been sold so that it becomes controlled by another person), a secondary liability for those overdue taxes on other companies which are or have been members of the same group of companies for tax purposes or are or have been under common control with the company that has not discharged its primary liability to pay that tax.

Contingent Taxation Liabilities

Certain members of the Security Group have acquired certain capital assets from other companies which (in relation to previous acquisitions) were, at the time of that acquisition, members of the same capital gains tax, stamp duty and/or stamp duty land tax group. As a consequence, those members of the Security Group may have a contingent liability to pay United Kingdom corporation tax on chargeable gains, stamp duty or stamp duty land tax, the liability will become an actual liability to pay corporation tax, stamp duty or stamp duty land tax (or equivalent land transactions taxes in Scotland, Wales or Northern Ireland) if (broadly) that member of the Security Group ceases to be a member of the relevant tax group within a period specified by statute. Were such a contingent liability to pay tax to become an actual liability to pay tax, the discharge of that tax liability could reduce the amount of post-tax income available to the relevant member of the Security Group to make payments in respect of the on-lending of those proceeds of the ICL Loans and the ACF Loans within the Security Group, thereby potentially affecting the

ability of FinCo and other members of the Security Group to make full and timely payment of interest and principal in respect of the ICL Loans and the ACF Loans. This could ultimately adversely affect the Issuer's ability to meet its obligations under the Notes.

Where such a member of the Security Group which has acquired capital assets from other companies which were, at the time of that acquisition, members of the same capital gains tax group (the "**Degrouping Company**") and which ceases to be a member of the capital gains tax group as a consequence of a disposal either of the Degrouping Company's shares or a disposal of the shares of another member of the capital gains tax group by a member of the capital gains group (the "**Selling Shareholder**") within the period specified by statute, such a contingent liability to pay United Kingdom corporation tax on chargeable gains will not become an actual liability for the Degrouping Company; rather, it will be treated as additional consideration received by the Selling Shareholder and so may result in an actual tax liability for the Selling Shareholder. Therefore, if a member of the Security Group disposes of the shares in a Degrouping Company or another member of that capital gains tax group which results in a Degrouping Company ceasing to be a member of the relevant capital gains tax group, the actual liability to pay corporation tax on chargeable gains on that disposal (including any gain treated as accruing to that Selling Shareholder as a result of it being deemed to have received such additional consideration) accruing to the Selling Shareholder could reduce the amount of post-tax income available to it to make payments in respect of the on-lending of those proceeds of the ICL Loans and the ACF Loans within the Security Group, thereby potentially affecting the ability of FinCo and other members of the Security Group to make full and timely payment of interest and principal in respect of the ICL Loans and the ACF Loans. This could ultimately adversely affect the Issuer's ability to meet its obligations under the Notes.

It should be noted however that these rules may not apply where the Degrouping Company was previously a member of the LS REIT Group and the capital asset which was acquired by the Degrouping Company as a result of an intra-group transfer is an asset that is used wholly and exclusively for the purposes of the property rental business of the Degrouping Company. In this case, any contingent liability for corporation tax on chargeable gains should be imposed on the Degrouping Company, not the Selling Shareholder. Furthermore, in such a scenario, the interaction between the capital gains de-grouping rules and the REIT rules would mean that in practice no contingent liability would generally arise to the Degrouping Company in relation to the prior intra-group transfer of the asset used for the purposes of the property rental business.

United Kingdom Tax on Disposals and Certain Other Material Transactions

Provided that the LS REIT Group is and remains a REIT, any gain on a disposal by an Obligor of an interest in a UK investment property that was used for the purposes of its property rental business or from April 2019, a right or interest in a company which is UK property rich to the extent, and in such proportion as, that company's assets are used for the purpose of UK property rental business, generally will not be subject to UK corporation tax on chargeable gains. The disposal of other capital assets (including interests in Mortgaged Properties that are not used for the purposes of the tax exempt business and the share capital of other members of the Security Group if such member is not UK property rich) by members of the Security Group to third parties may give rise to a liability to pay United Kingdom corporation tax on chargeable gains. Members of the Security Group may, from time to time, hold Mortgaged Properties as trading stock for the purposes of a trade carried on by them (and not as capital assets). Noteholders should be aware

that should any such tax liability arise as a result of a disposal following enforcement of the security given by the Obligors, that tax liability could, indirectly, adversely affect the ability of the Issuer to meet its obligations under the Notes.

Withholding tax in respect of the Swap Agreements

Landsec Group has been advised that under current law, all payments to be made under the Swap Agreements can be made without withholding or deduction for or on account of any United Kingdom tax. In the event that a withholding or deduction for or on account of tax is required to be made from any payment due from a Swap Counterparty under a Swap Agreement, the terms of that Swap Agreement may provide that the amount to be paid will, in certain circumstances, be increased to the extent necessary to ensure that, after that withholding or deduction has been made, the amount received by FinCo or the relevant Financial SPV Obligor that is party to the Swap Agreement is equal to the amount that FinCo or the Financial SPV Obligor, as the case may be, would have received had such withholding or deduction not been required to be made.

If any Swap Counterparty is obliged to make such an increased payment, the terms of that Swap Agreement will provide that it may, if such deduction or withholding is as a result of a change in law (or the application or interpretation thereof), terminate the relevant transactions under such Swap Agreement (subject to such Swap Counterparty's obligation to use its reasonable endeavours to transfer its rights and obligations in respect of the relevant transactions under such Swap Agreement to another office or third party swap provider such that payments made by or to that other office or third party swap provider under such relevant transactions can be made without any withholding or deduction for or on account of tax). If any Swap Agreement (or any transactions thereunder) is terminated and the Security Group does not Prepay Floating Rate Loans to a sufficient extent, the Security Group may be unable to meet its payment obligations under the Intercompany Loan Agreement and ACF Loans in full, with the result that the Noteholders may not receive all of the payments of principal and interest due to them in respect of the Notes. In addition, the termination of any Swap Agreement (or any transactions thereunder) may result in a Swap Termination Amount being due to the relevant Swap Counterparty.

For a description of the Swap Agreements that any of the Obligors may enter into from time to time in accordance with the Hedging Covenant, see "*Swap Agreements and Hedging Covenant*", page 113 below.

Issuer

The Taxation of Securitisation Companies Regulations 2006 (as amended) provide for a permanent regime for the taxation of "securitisation companies" (the "**Securitisation Tax Regime**"). Companies to which the Securitisation Tax Regime applies will be taxed broadly by reference to their "retained profit" rather than by reference to their accounts. The Issuer elected to fall within the Securitisation Tax Regime with effect from the accounting period of the Issuer commencing on 1 January 2007 and should continue to fall within the Securitisation Tax Regime. As such, the Issuer should be taxed only on the amount of its retained profit for so long as it satisfies the conditions for remaining within the Securitisation Tax Regime. However, if at any time it ceases to satisfy these conditions, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction described in this Base

Prospectus and as such adversely affect the tax treatment of the Issuer and consequently payments on the Notes.

FinCo

FinCo will generally be subject to United Kingdom corporation tax, currently at a rate of 19%, broadly on the profit reflected in its profit and loss account as increased by the amount of any non-deductible expenses or losses. The United Kingdom has announced that, with effect from 1 April 2023, United Kingdom corporation tax will apply at a rate of 25%. If the tax payable by FinCo is greater than expected, the funds available to make payments on any ICL Loan will be reduced and this may adversely affect the Issuer's ability to make payments on the Notes.

Withholding Tax in respect of the ICL Loans

The Issuer has been advised that, under current law, all payments made to it under the Intercompany Loan Agreement by FinCo can be made without withholding or deduction for or on account of any United Kingdom tax. In the event that any withholding or deduction for or on account of tax is required to be made from any payment due to the Issuer in respect of an ICL Loan, the amount of that payment will be increased to the extent necessary to ensure that, after that withholding or deduction has been made, the Issuer receives a cash amount equal to that which it would have received had no such withholding or deduction been required to be made.

If, as a result of a change in taxation law, FinCo is obliged to make such an increased payment to the Issuer, FinCo will have the option (but not the obligation), subject to the then applicable Security Group Priority of Payments, to Prepay all outstanding ICL Loans in full. If FinCo chooses to Prepay the ICL Loans, the Issuer will then be obliged to redeem the Notes. If FinCo does not have sufficient funds to enable it to make such increased payments to the Issuer, the Issuer may not have sufficient funds to enable it to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or *pari passu* with, the Notes.

Similarly, if a member of the Landsec Group is required to withhold or deduct any amount for or on account of tax from any payment in respect of the on-lending to it of the proceeds of an ICL Loan or an ACF Loan, FinCo may have insufficient funds to meet its payment obligations in respect of the ICL Loans in full, with the result that the Issuer's ability to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or *pari passu* with, the Notes could be adversely affected as described above. Noteholders should also refer to "Change of Law", page 58, below.

Taxation – Interest Deductibility

In response to the publication of the OECD Base Erosion and Profit Shifting reports, the UK government has introduced rules to restrict a group's UK tax deductions for net interest expense to 30% of the UK group's EBITDA (subject to various exemptions). The rules apply to corporation taxpayers in relation to accounting periods from 1 April 2017. The test of grouping for these purposes is based on the accounting test for IFRS purposes.

Groups of companies that would otherwise be restricted by the 30% test may elect to apply the "group ratio rule", which uses a ratio of interest to EBITDA based on the worldwide group of which

it is a member instead of the fixed 30% limit. There is a *de minimis* threshold of £2m of net interest expense per annum, but this applies across a whole UK group rather than on an entity-by-entity basis.

The rules have been adapted for REITs so that, for each company within the REIT, its tax exempt property rental business and its non-tax exempt business are treated as two separate group companies. The profits of the REIT's exempt property rental business are assumed not to be exempt from corporation tax when performing the relevant calculations to determine whether there should be any restriction on the deductibility of interest for the UK group as a whole. If the deductibility of interest for the UK group is restricted, there are specific rules which apply in determining how disallowed interest deductions are allocated between the tax exempt and non-tax exempt business. Any disallowed interest deductions allocated to the non-tax exempt business will have an impact on the corporation tax liability in relation to that business.

Where deductions are restricted, they can be carried forward to future years, provided that the ratio in those future years is not exceeded. In addition, where there is excess interest capacity in a particular period, such interest capacity may be carried forward to future years to increase the amount of interest allowance in such future period. In each case, this carry forward may be for up to five years. If these rules were to result in any interest expense incurred by members of the Security Group ceasing to be fully deductible, this could: (i) increase the relevant company's liability to tax in relation to its non-tax exempt business and may therefore indirectly affect the ability of the Issuer to satisfy its obligations under the Notes; and (ii) result in an increase in the net income profits of the tax exempt business of the LS REIT Group and therefore result in Land Securities Group PLC being required to distribute an increased amount of such profits to shareholders. Details of this requirement to distribute are detailed further in "United Kingdom — Taxation Of The Security Group", above.]

Change of Law

The structure of the transaction and, amongst other things, the issue of the Notes and the ratings which are to be assigned to them are based on English and Scots law in effect as at the date of this Base Prospectus. No assurance can be given as to the effect of any possible judicial decision or change to English or Scots law or administrative practice of any jurisdiction after the date of this Base Prospectus.

The Landsec Group is also subject to significant EU legislative oversight, though uncertainty remains about the situation at the end of the transition period following the UK's exit from the EU (see "Market - General market volatility and post-UK referendum uncertainty", above). Compliance with any changes in regulation or with any regulatory intervention resulting from political or regulatory scrutiny may significantly increase the Landsec Group's costs, impede the efficiency of its internal business processes, limit its ability to pursue business opportunities, or diminish its reputation and include a requirement for major restructuring and/or materially increased compliance and regulatory costs. Any of these consequences could have a material adverse effect on the Landsec Group's business reputation, financial condition and/or operating results.

Effect of Enforcement on Value of Mortgaged Properties

The liquidation value of the Mortgaged Properties may be adversely affected because sales of the Mortgaged Properties may not be able to be made at the open market value of such properties. In particular, the Valuation of the Mortgaged Properties assumes that their value is based on open market values (which are determined before the seller's costs) and on the basis that their sale is not forced upon the seller. Following enforcement of the Obligor Security, this would not be the case for sales of Mortgaged Properties. A forced sale of Mortgaged Properties will be subject to prevailing market conditions and the best price may not be obtainable. Sale of the Mortgaged Properties may take a significant amount of time in an enforcement scenario due to the number of properties that would be on the market, and this would affect the rate at which the enforcement proceeds are realised. In addition, the liquidation value of Mortgaged Properties may be affected by risks generally affecting real property and other factors which are beyond the control of the Obligors, the Obligor Security Trustee, the Note Trustee or any Receiver.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Base Prospectus lessen some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

Chapter 3
Structure of the Transaction

The following is an overview of the structure of the transaction. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Base Prospectus.

The Landsec Group

The Landsec Group primarily invests in commercial property in the United Kingdom and provides ancillary services to a wide range of occupiers across the United Kingdom.

At the date of this Base Prospectus, the Landsec Group has two main activities: the management of its property portfolio and property development.

The Landsec Group comprises two subgroups: a group comprising the Security Group (comprising the Obligors and the Issuer) and a group comprising the Non-Restricted Group (comprising the Non-Restricted Group Entities).

The Issuer was incorporated as a special purpose company for the purpose of raising funds through the issuance of Notes. The funds raised by the Issuer will be on-lent to FinCo, to be used by FinCo for any lawful purpose (including on-lending such proceeds to Land Securities (Finance) Limited, which may on-lend such proceeds to any other member of the Security Group and, subject to certain conditions (as described herein), to Non-Restricted Group Entities).

Land Securities Group PLC is the ultimate holding company of the Landsec Group. The Security Group comprises FinCo, HoldCo, Land Securities PLC and the other Obligors. HoldCo directly holds all of the shares in Land Securities PLC. Land Securities PLC in turn either directly or indirectly holds all of the shares in the Issuer, FinCo and certain other Obligors. See "— *Corporate Structure of the Landsec Group*", page 75, below for a diagrammatic representation of the corporate structure of the companies within the Security Group.

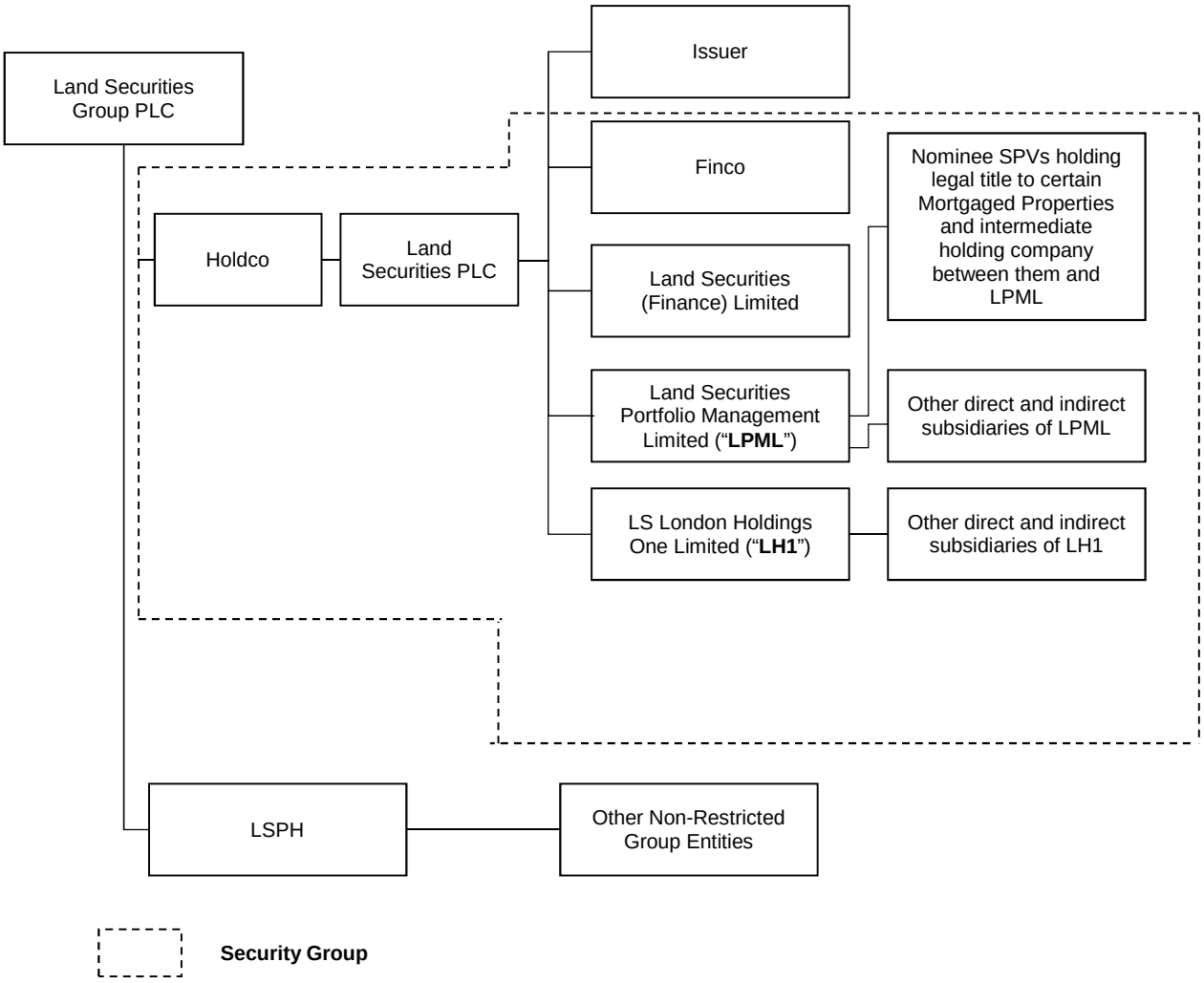
On 3 November 2004 (the "**Exchange Date**") the Issuer and Security Group created security over their assets including each of the Mortgaged Properties (see "— *Security Structure of the Issuer and the Security Group*", page 80, below).

LS One New Change Limited, Blueco Limited, LS Hotels Limited, The City of London Real Property Company Limited and LS Cardinal Limited are the principal real estate owning companies of the Security Group as at the date of this Base Prospectus and FinCo, a special purpose company, has raised and will continue to raise funds to support the activities of the Security Group and the Non Restricted Group (see "— *Corporate Structure of the Landsec Group*", page 75, below).

The board of directors of each Obligor functions as an independent board and is not under the day to day control of the shareholders of such Obligor.

The diagram below shows the corporate structure including two sub-groups of the Landsec Group:

Corporate Structure of the Landsec Group



As at the date of this Base Prospectus, the Security Group owns a portfolio of 120 Mortgaged Properties and six Further Credit Assets, and manages, develops or procures the management and development of the Estate. The Non-Restricted Group carries on those parts of the portfolio management and development businesses relating to the Landsec Group portfolio of properties other than the Estate.

As at 31 March 2022 the Estate and the FCAs were made up as follows:

	VALUATION BY CLASSIFICATION	
ESTATE AND FCAs	£	%
Offices - London	6,659,390,000	59.2
Offices - UK (other than London)	23,470,000	0.2
Shops and Shopping centres - London	1,295,305,000	11.5
Shops and Shopping centres - UK (other than London)	1,715,780,000	15.3
Retail Warehouses	466,200,000	4.1
Residential	58,025,000	0.5
Leisure and Hotels	1,022,609,000	9.1
TOTAL	**11,240,779,000**	**100.0**

The valuation in the table above is based on the valuation as at 31 March 2022 of each of the Mortgaged Properties comprising the Estate and the FCAs as at that date made by the Valuers after applying the Valuation Haircut.

The Valuation of the Estate and the FCAs issued by the Valuers as at 31 March 2022 is reproduced in summary form in Chapter 12 "*Valuation of the Estate*", page 257, below. Between 1 April 2022 and the date of this Base Prospectus, one Mortgaged Property comprised in the Estate as at 31 March 2022 has been disposed of and released from the Estate, and two other properties owned by the Landsec Group have been charged as Mortgaged Properties and added to the Estate.

Debt Structure of the Security Group

Funding Options

The Security Group has a number of funding options open to it under the transaction structure. Subject to the satisfaction of various conditions (which conditions are described in greater detail below):

1. FinCo may from time to time request that the Issuer issues Notes under the Programme (see "— *The Programme*", page 30, above). Upon the issue of the Notes, an amount equal to the face value of the Notes issued by the Issuer will be advanced to FinCo under the Intercompany Loan Agreement. Where the Notes are issued at a discount, a reverse premium equal to the amount of the discount will be paid by FinCo to the Issuer. Conversely, where the Notes are issued at a premium, an amount equal to the premium will be paid by the Issuer to FinCo. The Intercompany Loan Agreement provides for separate ICL Loans to be made to FinCo, with each ICL Loan corresponding to a particular Sub-Class of Notes issued by the Issuer. No other Obligor may request that Notes be issued by the Issuer and/or borrow from the Issuer under the Intercompany Loan Agreement.

2. FinCo and any other member of the Security Group may from time to time enter into a broad range of credit facility agreements with credit providers which are either (a) secured

upon the Estate and any other assets of the Security Group or (b) (other than in the case of FinCo) unsecured.

The contractual relationship between the Security Group (on the one hand) and the Issuer, the ACF Providers and other secured creditors of the Security Group (on the other hand) is regulated by the Obligor Transaction Documents and, in particular, the Common Terms Agreement and the Security Trust and Intercreditor Deed (see Chapter 1 "*Transaction Overview*", page 18 et seq., above and Chapter 4 "*Description of the Principal Transaction Documents*", page 84 et seq., below). The Common Terms Agreement regulates the operational activities of the Security Group and contains provisions relating to, among other things, the following:

(a) the mechanism for determining which covenants form part of the covenants package which applies to the Security Group at any time;

(b) the introduction of Obligors into, and removal of Obligors from, the Security Group;

(c) the introduction of Mortgaged Properties into, and release of Mortgaged Properties from, the Estate;

(d) the merger of leasehold Mortgaged Properties with superior leasehold or freehold Mortgaged Properties;

(e) the release of any rights and/or easements attached to Mortgaged Properties;

(f) the raising, repayment and Prepayment of Non-Contingent Loans by the Security Group; and

(g) deposits into and withdrawals from the Obligor Accounts.

The Security Trust and Intercreditor Deed contain provisions in respect of, among other things, the following:

(i) the rights and obligations of the Obligor Secured Creditors among themselves;

(ii) the creation of security by the Security Group for the benefit of the Obligor Secured Creditors; and

(iii) the application of proceeds made available by the Security Group for the repayment or Prepayment of its Financial Indebtedness prior to, and following enforcement of, the security.

Any creditor providing credit (other than the Issuer) on a secured basis as described in paragraph 2 above will become a party to the Common Terms Agreement and the Security Trust and Intercreditor Deed as an ACF Provider ("**ACF**" denoting an authorised credit facility), and the relevant credit agreement will constitute an ACF Agreement. Providers of Unsecured Debt to the Security Group will not (unless they are already a party in respect of a pre-existing ACF Agreement) become a party to the Common Terms Agreement or the Security Trust and

Intercreditor Deed, and a credit agreement for such Unsecured Debt will not constitute an ACF Agreement.

FinCo is entitled to use the proceeds of any ICL Loans for any lawful purpose, and FinCo, which is the borrower under the Existing ACF Agreements, is entitled to use these facilities for any lawful purpose, including on-lending amounts to other members of the Security Group. Land Securities (Finance) Limited is entitled, subject to compliance with the Restricted Payment Covenant, to on-lend any funds received by it to the Non-Restricted Group. An Obligor may also utilise any ACF Agreement for such purposes as may be agreed with the relevant ACF Provider(s) including, without limitation, to support the issuance by it of commercial paper by using a facility under such ACF Agreement as a backstop facility.

Liquidity and Hedging

FinCo may (and may become obliged to) enter into one or more Liquidity Facility Agreements pursuant to which FinCo may, subject to the satisfaction of certain conditions to be agreed with the relevant Liquidity Facility Provider(s), draw amounts thereunder to meet certain of its payment obligations under the Intercompany Loan Agreement and certain other obligations ranking senior thereto or to on-lend such amounts to any Obligor in order to enable such Obligor to meet certain of its obligations under any ACF Agreement and certain other obligations ranking senior thereto, in each case where FinCo or such other Obligor (as the case may be) has insufficient funds available to it to do so. Alternatively, FinCo may comply with its obligations to provide liquidity by creating a separate liquidity reserve for that purpose (rather than entering into a committed Liquidity Facility Agreement) (see "— *Liquidity Facility Agreements – Mandatory Liquidity Provisions*", page 112, below). At the date of this Base Prospectus, no Liquidity Facility Agreement has been entered into.

It is anticipated that if any liquidity drawings are made under any committed Liquidity Facility, FinCo will be required to repay the outstanding balance of any such liquidity drawings on the next succeeding Loan Payment Date.

The Obligors are required to hedge interest rate and/or currency exposures of the Security Group to certain pre-specified levels (see "— *Swap Agreements and Hedging Covenant*", page 113 below and "— *Hedging Arrangements*", page 229, below). The Obligors will manage the Security Group's interest rate and currency exposures by entering into Swap Agreements with various Swap Counterparties.

Debt Ranking

Financial Indebtedness incurred by the Security Group is either (i) secured on the Estate and other assets of the Security Group or (ii) Unsecured Debt. In the case of any Secured Financial Indebtedness of the Security Group, the Security Group designates the ranking of such Secured Financial Indebtedness as Priority 1 Debt, Priority 2 Debt or Subordinated Debt in accordance with a procedure set out in the Common Terms Agreement (see "— *Common Terms Agreement*", page 84 et seq., below). The rights of the Obligor Secured Creditors in respect of such Secured Financial Indebtedness will be regulated by the Security Trust and Intercreditor Deed.

Payments due from any Obligor to any Swap Counterparty under any Swap Agreement and from FinCo to any Liquidity Facility Provider under any Liquidity Facility Agreement (other than in respect of Swap Subordinated Amounts, Swap Termination Amounts and Liquidity Facility Subordinated Amounts) rank in point of security ahead of Priority 1 Debt.

Swap Termination Amounts rank in point of security *pari passu* with interest on Priority 1 Debt. Swap Termination Amounts and Swap Subordinated Amounts may, however, be discharged otherwise than pursuant to the Security Group Priority of Payments to the extent of any premium received from a replacement swap counterparty.

Priority 1 Debt as at the date of this Base Prospectus comprises outstanding amounts on the ICL Loans (in an aggregate principal amount of £2,356,042,500) and the ACF Loans (in an aggregate principal amount of £1,590,000,000). Priority 1 Debt will rank in point of security ahead of Priority 2 Debt, which will in turn rank in point of security ahead of Subordinated Debt. The ranking in point of security of any particular item of Subordinated Debt vis-à-vis other items of Subordinated Debt is agreed between the Security Group and the relevant Debtholders and designated in accordance with the terms of the Common Terms Agreement (and, in the case of any further ICL Loans, the Final Terms for the corresponding Sub-Class of Notes will specify such ranking).

The Intercompany Loan Agreement is structured to accommodate different ICL Loans which may rank in point of security as Priority 1 Debt, Priority 2 Debt or Subordinated Debt.

ACF Agreements may similarly be structured to accommodate ACF Loans with different levels of priority in point of security.

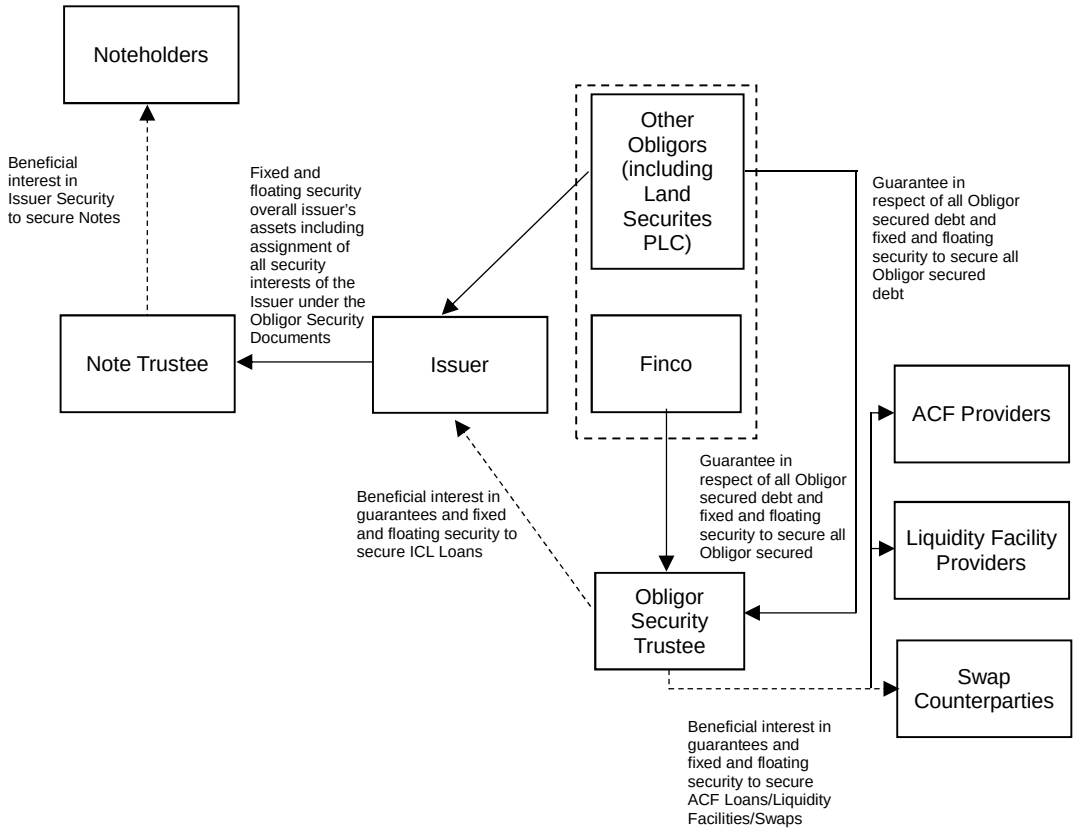
Debt Levels and Covenant Regimes

The Common Terms Agreement regulates, among other things, how much Financial Indebtedness may be incurred by the Security Group and the corresponding amount of Priority 1 Debt, Priority 2 Debt, Subordinated Debt and Unsecured Debt that may be outstanding from time to time. Two main financial indicators are used to determine the levels of Financial Indebtedness that can be sustained by the Security Group from time to time: these are the LTV, which, broadly, is a measure expressed as a percentage of the amount of net debt outstanding of the Security Group against the value of the Estate and any FCAs, and the projected ICR, which, broadly, is a measure expressed as a ratio of the net income generated by the Security Group against the net interest payable by the Security Group, in each case as projected by the Security Group in relation to a 12-month period.

In addition, the LTV and ICR (calculated on a projected basis and, in certain circumstances, an historical basis) as measured from time to time will determine the level of restriction imposed on the operational flexibility of the Security Group (the level of restriction being graded in tiers by reference to the levels of the applicable ratio tests from time to time) (see "— *Common Terms Agreement*", page 84, below for a more detailed description of these ratio tests and how and when they are measured). These tests are referred to in the Common Terms Agreement as the "Tier Tests" and the "Additional Tier Tests", and there are four covenant regimes which apply depending on the outcome of the Tier Tests or Additional Tier Tests (see "— *Common Terms Agreement*", page 84, below).

In calculating the LTV and the ICRs of the Security Group both Secured Financial Indebtedness and Unsecured Debt are taken into account. Contingent liabilities in the form of certain guarantees and Performance Bonds granted or issued by any member of the Security Group are brought into the calculation of the LTV (see the definition of "LTV"— Glossary of Defined Terms", page 308, below). For these purposes, such contingencies are valued at the maximum principal amount covered by the relevant guarantee or, in the case of Performance Bonds, at 15 per cent. of the fixed, liquidated or maximum amount covered by the relevant Performance Bond (in each case excluding finance charges). Guaranteed interest is not, however, taken into account for ICR purposes unless claimed or projected to be claimed under the relevant guarantee.

Security Structure of the Issuer and the Security Group



- References above to "all Obligor secured debt" are references to all Obligor debt owed to Obligor Secured Creditors. In the context of floating charges securing "all Obligor secured debt", the ICL Loans are excluded as the Issuer is granted separate floating charges to secure the ICL Loans (which are then assigned to the Note Trustee as security for, *inter alia*, the Notes).

- Each of the Obligor Secured Creditors shares in security over the same assets and has the benefit of a common set of covenants, representations and warranties which are set out in the Common Terms Agreement and the Security Trust and Intercreditor Deed. The set of covenants granted by the Security Group will apply to varying extents from time to time depending on the results of the calculations of the Tier Tests.

- The Obligor Security Trustee and the Note Trustee are obliged to distribute security enforcement proceeds in accordance with the Security Trust and Intercreditor Deed. This will require all proceeds of all security (including the proceeds of Guarantees) held by the Note Trustee and the Obligor Security Trustee to be distributed such that, where ICL Loans and ACF Loans share the same priority ranking in point of security, they will, on enforcement of the security, participate in the available proceeds to be applied in the discharge of such debt *pro rata* and *pari passu*.

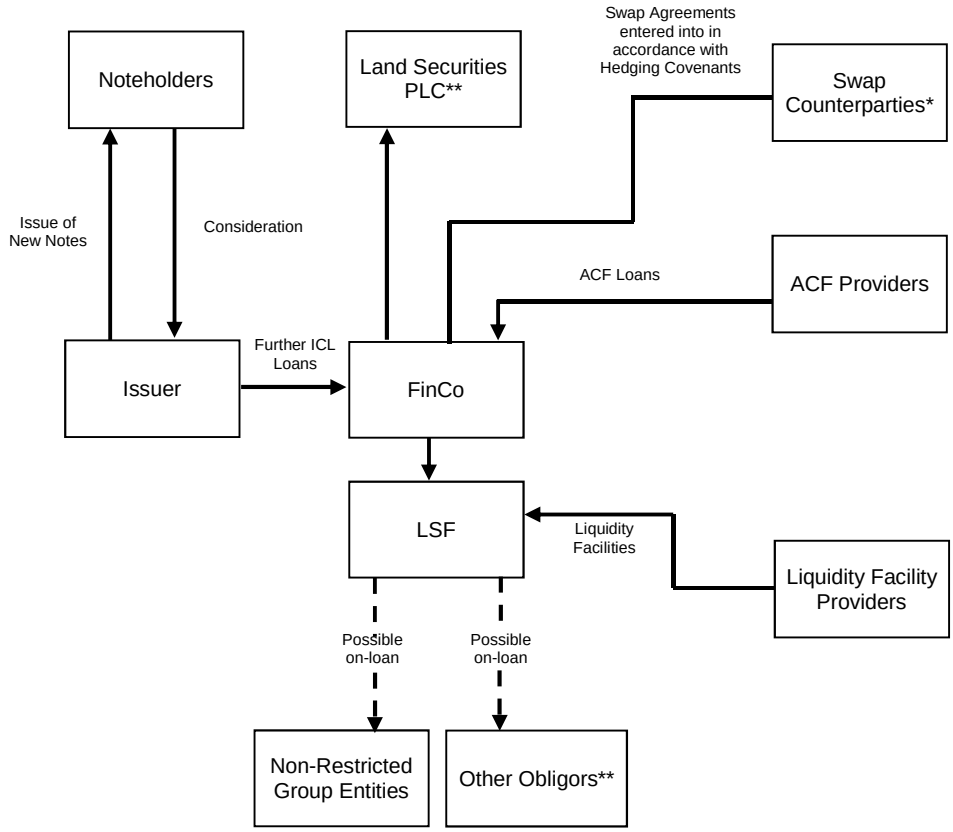
- The Security Trust and Intercreditor Deed expressly permits each member of the Security Group to deal freely with its property and other assets save to the extent that it is restricted by the provisions set out in certain Obligor Transaction Documents and the existence of security interests over the Mortgaged Properties from, *inter alia*, disposing of real estate assets, disposing of shares in members of the Security Group and making withdrawals from certain bank accounts (see "— *Security Trust and Intercreditor Deed*", page 171, below).

- FinCo and each other Obligor have granted (a) fixed and floating security over all of their assets in favour of the Obligor Security Trustee who holds the benefit of such security on trust for the Obligor Secured Creditors (other than the Issuer in respect of the floating security) and (b) a separate floating charge over all of their assets in favour of the Issuer (see "— *Security Trust and Intercreditor Deed*", page 171, below for a further description).

- In addition, each Obligor guarantees the obligations of (a) FinCo in respect of the ICL Loans and (b) each of the other Obligors (including FinCo) in respect of the ACF Loans and the Obligor Transaction Documents generally.

- The Issuer's obligations under the Notes and the Issuer Transaction Documents are secured by the Issuer (a) granting fixed security and floating security over all of its property, undertaking and assets and (b) assigning by way of security its beneficial interest in the Obligor Security, in each case, in favour of the Note Trustee under the Issuer Deed of Charge. See "— *Issuer Deed of Charge*", page 233, below for a detailed description of the security granted by the Issuer.

Cashflows



* Swap Agreements may be entered into with FinCo or other Financial SPV Obligors

** Land Securities PLC and certain other Obligors may, in accordance with the terms of the Common Terms Agreement, also enter into agreements for the incurrence of Unsecured Debt and Euro Commercial Paper

- The Issuer may, on any Issue Date and subject to certain conditions, issue Class A Notes, Class B Notes, Class R1 Notes, Class R2 Notes or any Class of Subordinated Notes under the Programme.

- Following such issuance, the Issuer will advance an amount equal to the face value of the issued Notes to FinCo under the Intercompany Loan Agreement. Where the Notes are issued at a discount, a reverse premium equal to the amount of the discount will be paid by FinCo to the Issuer. Conversely, where the Notes are issued at a premium, an amount equal to the premium will be paid by the Issuer to FinCo. There will be a separate advance by the Issuer to FinCo under the Intercompany Loan Agreement in respect of each Sub-Class of Notes issued in such Series, each such advance being an ICL Loan and having a rate of interest equal to that payable in respect of the corresponding Sub-Class plus 0.01% per annum. In addition, FinCo will be required to pay to the Issuer from time to time an Ongoing Facility Fee in an amount equal to all sums which the Issuer is required to pay in respect of the Notes (including, without limitation, new issuance fees and regulatory expenses, but excluding payments in respect of interest on and payments or repayments of principal and premia in respect thereof) or by way of corporate outgoings which would otherwise be unfunded.

- The Issuer's obligations to pay principal and interest on the Notes are intended to be met exclusively from the payments of principal and interest received by the Issuer from FinCo under the ICL Loans.

- The Obligors may incur further Financial Indebtedness (whether by way of Further ACF Loans under any Existing ACF Agreement or under any Further ACF Agreements or (other than in the case of FinCo) by way of Unsecured Debt (such Unsecured Debt to include the ECP Programme)) (subject to certain limited exceptions). In order for any new Financial Indebtedness to become Secured Financial Indebtedness, debt facilities entered into by any Obligor are required to be designated as Secured Financial Indebtedness under the nomination procedure set out in the Common Terms Agreement (see further "— *Ranking of Financial Indebtedness*", page 106, below), and the relevant new provider of financing facilities will also be required to accede to the Common Terms Agreement and the Security Trust and Intercreditor Deed.

- The ability of any Obligor to incur Further Priority 1 Debt, Priority 2 Debt, Subordinated Debt and Unsecured Debt is subject to the relevant Headroom Tests being satisfied in those circumstances in which such tests are required to be carried out and to such borrowings not being Prohibited Transactions or, in certain circumstances, causing a breach of restrictions on the amount of Financial Indebtedness that can fall due during a specified period or after a specified date (see "— *Permitted Financial Indebtedness*", page 108, below and "— *Maturity Restrictions*", page 110, below).

- The Obligors are required, under the terms of the Common Terms Agreement, to hedge the Security Group's interest rate and currency exposures under Non-Contingent Loans, including the ICL Loans and the ACF Loans in accordance with the Hedging Covenant (see "— *Swap Agreements and Hedging Covenant*", page 113 below).

- FinCo may (and may be required to) enter into one or more Liquidity Facility Agreements under which, or alternatively create cash reserves from which, it may (or shall) make liquidity drawings to meet shortfalls in the amounts available to it to meet certain payments due in respect of ICL Loans (which in turn will be applied to meet payments on the Notes) or ACF Loans and certain other obligations ranking senior thereto or to on-lend amounts to any other Obligor in order to enable such Obligor to meet its payment obligations in respect of ACF Loans and certain other obligations ranking senior thereto (see "— ***Liquidity Facility Agreements***", page 25, above).

Outstanding Debt Between the Security Group and the Non-Restricted Group

As at the date of this Base Prospectus, there is an outstanding debt between Land Securities (Finance) Limited ("**LSF**") in the Security Group and Land Securities Properties Limited ("**LSP**") in the Non-Restricted Group under the Day One Loan. As at the date of this Base Prospectus, approximately £1,005,000,000 was owed by LSP to LSF – see "— *Land Securities Intra-Group Funding Deed*" page 228. Cash management arrangements are in place so that for any ongoing payment obligations between the Security Group and the Non-Restricted Security Group such that all obligations will be owed between LSP and LSF.

Chapter 4
Description of the Principal Transaction Documents

The following is a summary of certain provisions of the principal Transaction Documents, and is qualified in its entirety by reference to the detailed provisions of the Transaction Documents themselves.

A. COMMON TERMS AGREEMENT

The Issuer, FinCo, the other Original Obligors, the Note Trustee, the Obligor Security Trustee, the Initial ACF Providers and the other Obligor Secured Creditors, on the Exchange Date entered into the Common Terms Agreement (as amended from time to time) which sets out, among other things:

(a) the procedures pursuant to which Eligible Obligors can become members of the Security Group and Obligors can cease to be members of the Security Group (see "— The Security Group", page 85, below);

(b) detailed provisions relating to the introduction, disposal and intra-Security Group transfer of Mortgaged Properties and other assets (see "— *The Estate*", page 89, below);

(c) detailed provisions regarding the circumstances in which the Security Group may change the composition or holding structure of the Mortgaged Properties and/or composition of the Security Group itself and/or make modifications to the terms and conditions of the Common Terms Agreement and/or the other Transaction Documents (see "— *Restructuring of the Security Group and the Estate*", page 99, below);

(d) detailed provisions relating to the initial and future debt structure of the Security Group (see "– Debt Structure of the Security Group", page 81, below);

(e) detailed provisions concerning the performance of certain financial ratio tests that the Obligors will be required to perform from time to time (see "— *Testing*", page 122, below);

(f) detailed provisions for determining which covenant regime will apply to the Security Group from time to time depending on the results of certain financial ratio tests referred to above (see "— *Determining the Applicable Covenant Regime*", page 133, below);

(g) different sets of covenants that will or will not apply to the Security Group depending on which covenant regime applies from time to time (see "— *T1 Covenants*", page 136, "— T2 Covenants", page 149, "— *Initial T3 Covenants*", page 150 and "— *Final T3 Covenants*", page 152, below);

(h) detailed provisions relating to deposits into and withdrawals from the Obligor Accounts (see "— *Special Provisions Concerning Obligor Accounts*", page 153, below);

(i) the representations and warranties given by each Obligor on the Exchange Date and to be given on each Reporting Date (see "— *Representations and Warranties of Each Obligor*", page 162, below); and

(j) the Obligor Events of Default and the remedies available upon their occurrence (see "— *Obligor Events of Default and Remedy*", page 166, below).

The Security Group

Security Group

The Security Group comprises at the date of this Base Prospectus the companies listed in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus). Certain Original Obligors are Relevant Members. Certain of the properties owned by such Relevant Members which were included in the Estate were made subject to the RM Security Structure described in "— *Trust Declarations and Beneficiary Undertakings",* page 214, below.

Additional Obligors

The Principal Obligor may nominate any Eligible Obligor to become a member of the Security Group by delivering the following documents to the Obligor Security Trustee and (other than paragraph (b) below) the Note Trustee:

(a) deeds of accession to (among other documents) the Common Terms Agreement, the Security Trust and Intercreditor Deed, the Tax Deed of Covenant, the Obligor Floating Charge Agreement, the Account Bank and Cash Management Agreement and the Servicing Agreement (together the "**Obligor Accession Deeds**", the forms of which will be set out in the Common Terms Agreement), executed in counterpart by the nominated Eligible Obligor and the Principal Obligor;

(b) if the nominated Eligible Obligor is an incorporated entity, the share certificates in respect of that portion (if any) of the issued share capital of such nominated Eligible Obligor which is at that time held by any other Obligor and such other documents as the Obligor Security Trustee may require in order to perfect the Obligor Security Trustee's security interest in such shares, together with, where such Eligible Obligor is incorporated in a jurisdiction other than England and Wales, the Agreed Form of Security Document in respect of such issued share capital and (where available as a matter of law) any future share capital of the nominated Eligible Obligor held by such shareholding Obligor, which creates the Agreed Form of Security in respect of such share capital in favour of the Obligor Security Trustee;

(c) a certificate signed by two Authorised Signatories confirming, among other things: (1) the authority of each person executing the Obligor Accession Deed and (if applicable) the Agreed Form of Security Document in respect of the shares in the capital of such nominated Eligible Obligor, (2) that the introduction of such Eligible Obligor into the Security Group is not a Prohibited Transaction and (3) that the Issuer has lent or will lend to the nominated Eligible Obligor the sum of £1,000 on the date of its accession to, and on the terms of, the Obligor Floating Charge Agreement;

(d) one or more Agreed Forms of Legal Opinion (as required), addressed to (among others) the Obligor Security Trustee, the Note Trustee and the Dealers, from an Approved Firm or Approved Firms which confirm all of the following:

(i) the Obligor Accession Deeds (and any security created thereby) is legal, valid, binding and enforceable and (in relation to the security created thereby) that no further steps (other than those steps which such Approved Firm undertakes to carry out within any applicable time limits, which shall include submitting necessary applications for registration) are required to be taken for the attachment and perfection of such security;

(ii) the nominated Eligible Obligor has the capacity to enter into and has duly authorised the execution and entry into of the Obligor Accession Deeds; and

(iii) if applicable:

(A) the Obligor owning any shares in the nominated Eligible Obligor (the "**Owner**") has the capacity to enter into and has duly authorised the execution and entry into of the Agreed Form of Security Document in relation to such shares;

(B) if such share capital was transferred to the Owner during the period of five years which ends on the date (the "**Obligor Accession Date**") upon which it is proposed that such Eligible Obligor is to become an Additional Obligor (or, if shorter, the period commencing on the Exchange Date and ending on the Obligor Accession Date) by any entity who is as at the Obligor Accession Date and who was at the time of such transfer a Non-Restricted Group Entity or another Obligor, that (A) the Approved Firm giving the relevant opinion has requested a director or other authorised officer of the transferor to identify all agreements which may, to the best of such directors or authorised officer's knowledge and belief, have prohibited the transfer to the Owner and has either (1) reviewed all such agreements so notified to it by such director or other authorised officer and opined that no such agreement prohibited the transfer of such shares to the Owner or (2) been notified by such director or the authorised officer that, to the best of the knowledge and belief of such director or other authorised officer, no such agreements existed at the time of transfer and (B) such Approved Firm has requested a director or other authorised officer of the Owner to confirm whether the granting of security by the Owner over such shares has any connection with the acquisition of shares in any company and has either (1) considered any such connection notified to it by such director and opined, based on the matters so notified to it and on the assumption that all factual statements made to it are correct, that such granting of security does not breach any applicable legal prohibition of the giving of financial assistance in connection with such acquisition of shares or (2) been advised by such director or other authorised officer that no such connection exists; and

(C) the security created in respect of such shares by such Agreed Form of Security Document is legal, valid, binding and enforceable under its governing law and that no further steps (other than those steps which such Approved Firm undertakes to carry out within any applicable time

limits, which shall include submitting necessary applications for registration) are required to be taken for the attachment and perfection of such security under such law.

The Obligor Security Trustee and the Note Trustee are required and obliged to countersign the Obligor Accession Deeds within five Business Days of receiving all of the documents referred to above. Upon countersignature of such deeds by the Obligor Security Trustee and the Note Trustee, the nominated Eligible Obligor will become an Additional Obligor, will become a party in such capacity to (among other documents) the agreements and deeds referred to in paragraph (a) above and will have granted the fixed and floating charges granted by the Obligors pursuant to the Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement.

It is the intention of the Obligors that each Additional Obligor will undertake to the other Obligors that it will not do anything to prejudice the continuation of Common Control in relation to itself.

Released Obligors

The Principal Obligor may nominate any Obligor (other than FinCo, HoldCo and SubCo) to be released from the Security Group by delivering the following documents to the Obligor Security Trustee and the Note Trustee:

(a) if such nominated Obligor is not a Dormant Obligor, all of the following to the Obligor Security Trustee and the certificate referred to in paragraph (iii) below to the Note Trustee:

(i) a Property Release (executed in counterpart by each Obligor which holds a legal or beneficial interest in the Mortgaged Properties held by such nominated Obligor) in respect of each of the nominated Obligor's Mortgaged Properties; and

(ii) an Intellectual Property Release (executed in counterpart by the nominated Obligor) in respect of any Intellectual Property Right in respect of which the nominated Obligor has provided fixed security pursuant to the Obligor Security Documents; and

(iii) a certificate signed by two Authorised Signatories which (*inter alia*):

(A) confirms that such nominated Obligor is either (1) being or is to be Disposed of to a person outside the Security Group pursuant to a transaction on arm's length terms (and, if the Initial T3 Covenant Regime or the Final T3 Covenant Regime applies, that such Disposal is to be completed on the same Business Day as the execution by the Obligor Security Trustee of the documents referred to below) or (2) owned by a person who is not a member of the Security Group;

(B) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default is continuing and the Disposal of such nominated Obligor would have the effect of remedying such Obligor Event of Default (or is part of a series of

transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default);

(C) if such nominated Obligor is being or is to be Disposed of as described in (iii)(A)(1) above, specifies the expected amount of Sales Proceeds from, or other consideration for, the Disposal of such nominated Obligor;

(D) if such nominated Obligor is being or is to be Disposed of as described in (iii)(A)(1) above, sets out any confirmations required by the Tax Deed of Covenant to be given at that time in respect of the Disposal of such nominated Obligor;

(E) if such nominated Obligor is being or is to be Disposed of as described in (iii)(A)(1) above and a deposit is required to be made in accordance with the Tax Deed of Covenant in respect of the Disposal of such nominated Obligor, confirms that such deposit has been made or that irrevocable instructions (subject to completion of the Disposal) have been given for the payment of the deposit into the relevant Tax Reserve Account; and

(F) confirms that the Disposal of such Obligor and/or the removal of such Obligor's Mortgaged Properties from the Estate is not a Prohibited Transaction; or

(b) if such nominated Obligor is a Dormant Obligor, a certificate to that effect signed by two directors of the Principal Obligor which confirms or sets out, as the case may be, the information required in paragraphs (B), (D), (E) and (F) above.

Within two Business Days of receiving all of the documents referred to in paragraph (a) or (b) above (as applicable), the Note Trustee will be required and obliged to execute a deed of release (the form of which is set out in the Common Terms Agreement) releasing the security held by the Issuer over the assets of the nominated Obligor pursuant to the Obligor Floating Charge Agreement and the Obligor Security Trustee will be required and obliged to execute:

(a) any Property Release in respect of such nominated Obligor's Mortgaged Properties;

(b) any Intellectual Property Release in respect of any Intellectual Property Right in respect of which the nominated Obligor has provided fixed security pursuant to the Obligor Security Documents;

(c) such other documents as the Obligors may provide to the Obligor Security Trustee in order to release the fixed security held by the Obligor Security Trustee pursuant to the Obligor Transaction Documents in respect of the shares in the nominated Obligor and such nominated Obligor's assets not otherwise released as mentioned in paragraphs (a) and (b) above; and

(d) a deed (in a form to be set out in the Common Terms Agreement) releasing such nominated Obligor and the shares of such nominated Obligor from all of its obligations under the Obligor Transaction Documents.

Upon the Obligor Security Trustee's execution of the documents referred to in paragraphs (a) to and (b) above, such nominated Obligor will be a Released Obligor and will cease to be an Obligor for all purposes under the Transaction Documents and any tax deposits made by the nominated Obligor that are no longer required to be maintained following that Obligor becoming a Released Obligor shall be released.

Intra-Security Group Disposals of Obligors

The Obligors are permitted to make an Intra-Security Group Disposal of an Obligor, provided only that:

(a) prior to such Disposal, the Obligors deliver to the Obligor Security Trustee a certificate signed by two Authorised Signatories confirming that (a) either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default is continuing unwaived but such Disposal would have the effect of remedying such Obligor Event of Default (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default), (b) sets out any confirmations required to be given under the Tax Deed of Covenant relating to such Disposal which are required to be given before such Disposal and (c) if a deposit is required to be made under the Tax Deed of Covenant in respect of the Disposal, such deposit has been made or irrevocable instructions (subject to completion of the Disposal) have been given for the payment of such deposit into the relevant Tax Reserve Account; and

(b) if the disposed Obligor is an incorporated entity, immediately following such Disposal, the acquiring Obligor delivers to the Obligor Security Trustee (among other things) the share certificates (if not already held by the Obligor Security Trustee) in respect of that portion of the issued share capital of the disposed Obligor transferred to the acquiring Obligor or such other documents as the Obligor Security Trustee may require in order to perfect the Obligor Security Trustee's security interest in such shares, together with, where such disposed Obligor is incorporated in a jurisdiction other than England and Wales, the Agreed Form of Security Document in respect of such issued share capital and (where available as a matter of law) any future share capital of the disposed Obligor held by such acquiring Obligor, which creates the Agreed Form of Security in respect of such share capital in favour of the Obligor Security Trustee.

The Estate

The Estate comprises all of the Mortgaged Properties owned by the Obligors from time to time. Each Original Obligor has granted (a) fixed and floating security over all of its assets (including all its Eligible Properties intended to be comprised in the Estate, any partnership or joint venture interest that it owns, any Obligor Accounts in its name and any shares it holds in any other Obligor) to the Obligor Security Trustee under the Security Trust and Intercreditor Deed and (b) separate floating charge security over the same in favour of the Issuer under the Obligor Floating Charge

Agreement (see "— *Security Trust and Intercreditor Deed*", page 171 below, and "— *Obligor Floating Charge Agreement*", page 214, below, for a description of the security to be created by each Obligor and Chapter 10 "*Landsec Group Business and Information regarding the Estate*", page 249, below for further information regarding the Initial Estate).

The Common Terms Agreement contains provisions to enable from time to time the addition of new Mortgaged Properties to, and the release of Mortgaged Properties from, the Estate.

Additional Mortgaged Properties

Any Obligor may from time to time nominate any Eligible Property (a "**Nominated Eligible Property**") held by one or more Obligors for inclusion in the Estate by providing notice of such nomination to the Obligor Security Trustee, together with (among other things):

(a) an Agreed Form of Security Document in relation to such Nominated Eligible Property duly executed by the Obligor(s) that hold(s) the legal and beneficial title in the Nominated Eligible Property (the "**Property Owner**"), which creates the Agreed Form of Security in respect of the Nominated Eligible Property in favour of the Obligor Security Trustee;

(b) an Agreed Form of Legal Opinion (addressed to (among others) the Obligor Security Trustee and the Dealers) from an Approved Firm confirming that (A) the security created by such Agreed Form of Security Document is legal, valid, binding and enforceable under its governing law and that no further steps (other than those steps which such Approved Firm undertakes to carry out within any applicable time limits, which shall include submitting necessary applications for registration) are required to be taken for the attachment and perfection of such security under such law, (B) the Property Owner has the capacity to enter into and has duly authorised the execution and entry into of such Agreed Form of Security Document, (C) if the Nominated Eligible Property was transferred during the period of five years which ends on the date (the "**Mortgage Date**") upon which it is proposed that such Nominated Eligible Property is to become an Additional Mortgaged Property (or, if shorter, the period commencing on the Exchange Date and ending on the Mortgage Date) by one or more entities who are as at the Mortgage Date and were at the time of such transfer a Non Restricted Group Entity or another Obligor, that the Approved Firm has requested a director or other authorised officer of the transferor to identify all agreements which may, to the best of such director or authorised officer's knowledge and belief, have prohibited such transfer and has either (1) reviewed all such agreements so notified to it by such director or other authorised officer and opined that no such agreement prohibited the transfer of such Nominated Eligible Property or (2) been notified by such director or other authorised officer that, to the best of the knowledge and belief of such director or other authorised officer, no such agreements existed at the time of transfer and (D) such Approved Firm has requested a director or other authorised officer of the Property Owner to confirm whether the granting of security over the Nominated Eligible Property has any connection with the acquisition of any shares in any company and has either (1) considered any such connection notified to it by such director or authorised officer and opined, based on the matters so notified to it and on the assumption that all factual statements made to it are correct, that such granting of security does not breach any applicable legal prohibition of the giving of

financial assistance in connection with such acquisition or (2) been advised by such director or other authorised officer that no such connection exists;

(c) if the Nominated Eligible Property has a Market Value in excess of £50,000,000 (subject to Indexation), an Agreed Form of Certificate of Title or Report on Title (updated, or confirmed as remaining accurate, in the case of a Reintroduced Property) from an Approved Firm (which certificate, report or confirmation is dated not more than 12 months before the Mortgage Date);

(d) a copy of the most recent Valuation Report for such Nominated Eligible Property (unless such property is a Trading Property) which (i) is addressed to the Obligor Security Trustee and (ii) confirms that the reports (if any) on environmental due diligence carried out in respect of such property, and any deficiencies in the title to such property (in each case of which the Valuers have been notified prior to the date of such Valuation Report), have been taken into account by the Valuers in reaching their determination of the Market Value of such property;

(e) if the Nominated Eligible Property was transferred during the period of two years which ends on the Mortgage Date (or, if shorter, the period commencing on the Exchange Date and ending on the Mortgage Date) by one or more companies who are as at the Mortgage Date, and who were at the time of such transfer, members of the Security Group (other than the Property Owner) or the Non-Restricted Group, a certificate from two Authorised Signatories confirming that all such previous transferors were solvent on the dates upon which they transferred such property;

(f) a certificate from two Authorised Signatories confirming (among other things): (1) the Mortgage Date in respect of the Nominated Eligible Property; (2) whether or not the Nominated Eligible Property is a Trading Property; (3) that the Property Owner was solvent on the date on which it granted the security referred to in paragraph (a) above and that the Property Owner has taken all necessary action to authorise its entry into, performance and delivery of the relevant Agreed Form of Security Document; (4) unless the Nominated Eligible Property has a Market Value of less than or equal to £50,000,000 (subject to Indexation) or is a Reintroduced Property, that (A) the Security Group carried out “desk-top” environmental searches in respect of such property in accordance with the Security Group’s internally recommended practice from time to time and complied with such recommendations for any further investigations made by the relevant environmental consultant which accord with principles of good estate management practice applicable to a property of a type similar to the Nominated Eligible Property, and (B) where the Nominated Eligible Property is not a Trading Property, the Valuers were made aware of the contents of such searches, the results of such further investigations and of any deficiencies in the title to such property in connection with their valuation of such property in the most recent Valuation Report; (5) that the introduction of the Nominated Eligible Property into the Estate is not a Prohibited Transaction; (6) the relevant Sector (or Sectors) and Region for the Nominated Eligible Property; and (7) if the Valuation Report referred to in paragraph (d) above is dated more than six months prior to the Mortgage Date in respect of such Nominated Eligible Property, that there has been no material adverse change in the market value of such property (in the opinion of the Obligors, acting reasonably) since the date of such report; and

(g) an Agreed Form of Global Consent Letter in relation to such Nominated Eligible Property together with a letter requesting the execution of such Agreed Form of Global Consent Letter duly executed by the Principal Obligor, which letter shall include, for a Nominated Eligible Property located in Scotland only, an undertaking by the Principal Obligor not to release or authorise the release of any such Agreed Form of Global Consent Letter at any time after receipt of notice from the Obligor Security Trustee that the Agreed Form of Global Consent Letter in question has been revoked.

The Nominated Eligible Property will become an Additional Mortgaged Property, and will form part of the Estate, immediately upon satisfaction of the relevant conditions set out above.

Properties held by a person who is not an Obligor may only be introduced into the Estate by first causing the relevant property owner to become an Additional Obligor as described in "— *Additional Obligors*", page 85, above.

Certain properties owned by Obligors who are Relevant Members may be required to be secured pursuant to the Agreed Forms of RM Security Structure Documents in order to be introduced into the Estate. Furthermore, no Obligor that is incorporated, established or resident for tax purposes outside the United Kingdom may hold the legal title to a Mortgaged Property when the beneficial interest is held by another Obligor (unless it is an Eligible Obligor in relation to its holding of the legal title and the beneficial owner is also an Eligible Obligor in relation to its holding of the beneficial interest).

The Obligors agree that whenever any real estate asset is acquired, they will carry out reasonably prudent due diligence as regards such asset, taking account of all relevant factors, including (without limitation) past use, value and commercial circumstances.

Released Properties

The Obligors may from time to time nominate one or more Mortgaged Properties for release from the Estate by delivering to the Obligor Security Trustee:

(a) a Property Release in respect of each nominated property (executed in counterpart by each Obligor which holds a legal or beneficial interest in such nominated property);

(b) if any Intellectual Property Right forming part of the Charged Property is used in connection with such nominated property, an Intellectual Property Release in respect of such Intellectual Property Right (executed in counterpart by the relevant Obligor(s) that charged such Intellectual Property Right in favour of the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed);

(c) such other releases (executed in counterpart, as necessary) as are required to release any security held by the Obligor Security Trustee in respect of assets which relate specifically to such nominated Mortgaged Properties; and

(d) a certificate executed by two Authorised Signatories which:

(i) confirms that each nominated property is being Disposed of to one or more persons outside the Security Group pursuant to a transaction on arm's length terms (and, if a T3 Covenant Regime applies, that such Disposal will be completed on the same Business Day as the execution of such Property Release by the Obligor Security Trustee);

(ii) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default is continuing and the Disposal of such nominated property would have the effect of remedying such Obligor Event of Default (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default);

(iii) specifies the expected amount of Sales Proceeds from, or other consideration for, the Disposal of such nominated properties;

(iv) sets out any confirmations required by the Tax Deed of Covenant to be given at that time in respect of the Disposal of such nominated properties;

(v) (if a deposit is required to be made under the Tax Deed of Covenant in respect of the Disposal) confirms that such deposit has been made or that irrevocable instructions (subject to completion of the Disposal) have been given for the payment of such deposit into the relevant Tax Reserve Account; and

(vi) confirms that the Disposal of such nominated properties is not a Prohibited Transaction.

Within two Business Days following receipt of the foregoing documents, the Obligor Security Trustee will be required and obliged to execute the Property Release, any Intellectual Property Release and any other releases referred to in paragraph (c) above, whereupon such property will be a Released Property and will no longer form part of the Estate.

Intra-Security Group Disposals of Mortgaged Properties

The Obligors are permitted to make any Intra-Security Group Disposal of a Mortgaged Property, provided only that the following documents are delivered to the Obligor Security Trustee prior to such Disposal:

(a) a certificate signed by two Authorised Signatories which (a) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default is continuing but such Disposal would have the effect of remedying the same (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default), (b) sets out any confirmations required to be given under the Tax Deed of Covenant relating to the Disposal of such Mortgaged Property which are required to be satisfied before such Disposal and (c) confirms that if a deposit is required to be made under the Tax Deed of Covenant in respect of the Disposal, that deposit has been made or that irrevocable

instructions (subject to completion of the Disposal) have been given for the payment of the deposit into the relevant Tax Reserve Account;

(b) (save where the Disposal is by way of a grant or a lease of the whole or part of a Mortgaged Property) an Agreed Form of Legal Opinion from an Approved Firm confirming, in respect of the Mortgaged Property, each of the matters set out in items (A) and (C) of paragraph (b) of "Additional Mortgaged Properties", page 71 above, but so that the reference in item (A) thereof shall cover the continuing enforceability of the Agreed Form of Security Document executed by the transferee Obligor; and

(c) where the Disposal is by way of a grant of a lease of the whole or part of a Mortgaged Property (so that the Principal Obligor nominates such lease as a Nominated Eligible Property (the "**Nominated Lease**")):

(i) each of the documents listed in paragraphs (a), (b), (c) (if applicable) and (f) under "Additional Mortgaged Properties", page 71 above, in respect of the Nominated Lease;

(ii) a certificate from the Valuers (addressed to the Obligor Security Trustee) confirming the Market Value of:

(A) the Mortgaged Property or Mortgaged Properties out of which the Nominated Lease is to be granted (the "**Relevant Mortgaged Property**") immediately prior to the grant of the Nominated Lease;

(B) the Nominated Lease immediately following the grant of the Nominated Lease; and

(C) the Relevant Mortgaged Property immediately following the grant of the Nominated Lease,

such that the combined Market Value of the Relevant Mortgaged Property and the Nominated Lease following the grant of the Nominated Lease (and as a result solely of the grant of the Nominated Lease) is not less than the Market Value of Relevant Mortgaged Property before the grant of the Nominated Lease;

(iii) where the restriction registered against the registered title to the Relevant Mortgaged Property would require the Obligor Security Trustee's consent to the registration of the Nominated Lease, a written request for such consent (together with a draft form of the required consent letter); and

(iv) if applicable, appropriate undertakings from the Obligor's solicitors dealing with the grant of the Nominated Lease addressed to the Obligor Security Trustee in the agreed form, to:

(A) properly register the Nominated Lease at the Land Registry, if the Nominated Lease is for a term that requires it to be registered at the Land Registry; or

(B) properly note the Nominated Lease against the title to the Relevant Mortgaged Property (by way of agreed notice or unilateral notice), if the Nominated Lease is for a term that means it cannot be registered at the Land Registry, but may be noted by way of agreed notice or unilateral notice,

and, in either case, deal with any requisitions.

Division of Mortgaged Properties

The Obligors may, at their election, cause any Mortgaged Property (each, an "**Undivided Property**") to be divided into two or more Mortgaged Properties (the "**Post-Division Properties**" in relation to that Undivided Property) by delivering to the Obligor Security Trustee a certificate, signed by two Authorised Signatories, which:

(a) provides the Obligors' good faith estimate of the Market Value of each Post-Division Property (provided that the aggregate of the estimated Market Values of the Post-Division Properties shall not exceed the Market Value of the relevant Undivided Property unless such estimates are confirmed by one or more Intermediate Valuation Reports, addressed to the Obligor Security Trustee, in respect of such proposed Post-Division Properties);

(b) allocates the Market Value of each Post-Division Property to one or more Sectors in accordance with the covenants described in "— *Sector diversity – positive covenant*", page 137, below; and

(c) if the T3 Covenant Regime applies or if the Market Value of the Undivided Property exceeds £50,000,000 (subject to Indexation), attaches an Intermediate Valuation Report which (i) is addressed to the Obligor Security Trustee and (ii) confirms the matters referred to in paragraphs (a) and (b) above.

Merger of leasehold Mortgaged Properties with superior leasehold or freehold Mortgaged Properties

The Obligors may from time to time nominate one or more leasehold Mortgaged Properties (for the purposes of this section, each a "**nominated property**") for release from the Estate by delivering to the Obligor Security Trustee:

(a) a Property Release and Land Registry Form DS1 in respect of each nominated property (executed in counterpart by each Obligor which holds a legal or beneficial interest in such nominated property);

(b) a certificate executed by two Authorised Signatories which:

(i) confirms that each nominated property is (following the appropriate registration at the Land Registry) to be merged with either a superior leasehold or freehold Mortgaged Property (or Mortgaged Properties) or, a superior leasehold or freehold property which will (on the same date as such release of nominated property) become a Mortgaged Property (or Mortgaged Properties) in accordance

with “Additional Mortgaged Properties”, page 71 above, (the “**Relevant Mortgaged Properties**”) (the “**Merger Transaction**”) and that such Merger Transaction will be completed on the same Business Day as the execution of the Property Release in respect of that nominated property by the Obligor Security Trustee);

(ii) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default has occurred and is continuing unwaived and the Merger Transaction would have the effect of remedying such Obligor Event of Default (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default);

(iii) sets out confirmations required under the Tax Deed of Covenant to be given at that time in respect of the Merger Transaction;

(iv) if a deposit is required to be made under the Tax Deed of Covenant in respect of the Merger Transaction, confirms that such deposit has been made or that irrevocable instructions (subject to completion of the Merger Transaction) have been given for the payment of the deposit into the relevant Tax Reserve Account; and

(v) confirms that the Merger Transaction is not a Prohibited Transaction;

(c) a certificate from the Valuers (addressed to the Obligor Security Trustee) confirming the Market Value of:

(i) each nominated property immediately before the Merger Transaction;

(ii) the Relevant Mortgaged Properties immediately before the Merger Transaction; and

(iii) the Relevant Mortgaged Properties immediately following the Merger Transaction,

such that the Market Value of the Relevant Mortgaged Properties following the Merger Transaction (and as a result solely of the Merger Transaction) is not less than the combined Market Value of the nominated property and the Relevant Mortgaged Properties before the Merger Transaction; and

(d) appropriate undertakings from the Obligor’s solicitors dealing with the Merger Transaction addressed to the Obligor Security Trustee to properly register the Merger Transaction at the Land Registry and deal with any requisitions in the agreed form.

Transactions involving Mortgaged Properties

Where a Disposal of the whole or part of a Mortgaged Property (for these purposes, the “**Relevant Mortgaged Property**”) is not prohibited by the Security Trust and Intercreditor Deed and is by

way of the grant of a lease or easement (so that the Relevant Mortgaged Property does not need to be released from the Estate for such purposes) and the restriction registered against the registered title to the Relevant Mortgaged Property would require the Obligor Security Trustee's consent to the registration of such transaction, the Obligor shall deliver to the Obligor Security Trustee:

(a) a written request for such consent (together with the draft form of required consent letter); and

(b) a certificate executed by two Authorised Signatories which:

(i) confirms that such lease or easement is being granted to one or more persons outside the Security Group pursuant to a transaction on arm's length terms;

(ii) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default has occurred and is continuing unwaived and the grant of such lease or easement would have the effect of remedying such Obligor Event of Default (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default);

(iii) specifies the expected amount of Sales Proceeds from, or other consideration for, the grant of such lease or easement;

(iv) sets out any confirmations required under the Tax Deed of Covenant to be given at that time in respect of the grant of such lease or easement;

(v) if a deposit is required to be made under the Tax Deed of Covenant in respect of the grant of such lease or easement, confirms that such deposit has been made or that irrevocable instructions (subject to completion of such lease or easement) have been given for the payment of the deposit into the relevant Tax Reserve Account; and

(vi) confirms that the grant of such lease or easement is not a Prohibited Transaction,

and within two Business Days following receipt of the documents listed in paragraphs (a) and (b) above, the Obligor Security Trustee shall execute such consent letter.

Release of any rights and/or easements attached to Mortgaged Properties

The Obligors may from time to time nominate one or more rights and/or easements attached to and forming part of a Mortgaged Property located in England and Wales (for these purposes, each a "**nominated easement**") for release from the Estate by delivering to the Obligor Security Trustee:

(a) a Rights Release in respect of each nominated easement;

(b) a draft of the proposed deed by which the nominated easement is being Disposed of, surrendered or released to one or more persons outside the Security Group, together with any plans and drawings to be annexed to such deed;

(c) a certificate executed by two Authorised Signatories which:

(i) confirms that each nominated easement is being Disposed of, surrendered or released to one or more persons outside the Security Group pursuant to a transaction on arm's length terms and that such Disposal, surrender or release will be completed on the same Business Day as the execution of the Rights Release in respect of that nominated easement by the Obligor Security Trustee);

(ii) confirms that either (1) no Obligor Event of Default has occurred and is continuing unwaived or (2) an Obligor Event of Default has occurred and is continuing unwaived and the Disposal, surrender or release of such nominated easement would have the effect of remedying such Obligor Event of Default (or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default);

(iii) specifies the expected amount of consideration for, such Disposal, surrender or release;

(iv) sets out any confirmations required under the Tax Deed of Covenant to be given at that time in respect of such Disposal, surrender or release;

(v) if a deposit is required to be made under the Tax Deed of Covenant in respect of the such Disposal, surrender or release, confirms that such deposit has been made or that irrevocable instructions (subject to completion of the Disposal, surrender or release) have been given for the payment of the deposit into the relevant Tax Reserve Account; and

(vi) confirms that such Disposal, surrender or release of such nominated easement is not a Prohibited Transaction.

Further Credit Assets

The Obligors are permitted to introduce properties (including developments) which form part of the assets of a partnership or joint venture (including partnerships and joint ventures which are not wholly owned by the Security Group), as well as certain non-property assets (such as interests in partnerships and/or joint ventures), into the calculation of Total Collateral Value (alongside the value of the Estate) provided that the Obligors comply with such criteria (including criteria as to the relevant Agreed Forms of Legal Opinion, Agreed Forms of Security, Agreed Forms of Security Document and the extent to which such properties or non-property assets are to be accounted for in the determination of Total Collateral Value) as may be agreed between the Obligors, the Obligor Security Trustee and the Rating Agencies from time to time (such property and non-property assets being, upon satisfaction of such criteria, "Further Credit Assets").

Restructuring of the Security Group and the Estate

Proposed Structural Changes

The Principal Obligor may, for the purpose of achieving efficiencies in financing the business operations of the Security Group in anticipation of, or in accordance with, potential or actual changes in (i) law or regulation (including, without limitation, the introduction of real estate investment trusts or property investment funds or investment vehicles of a similar nature in the United Kingdom whether or not in accordance with suggestions set out in the HM Treasury and Inland Revenue (now HMRC) consultation paper dated March 2004 entitled "Promoting more flexible investment in property – a Consultation"), (ii) practice in relation to the management, holding or development of, provision of services in relation to or investment in property or (iii) taxation law relating to the management, holding or development of, provision of services in relation to or investment in property (each an "**Accepted Restructuring Purpose**"), propose:

(a) to change the composition or holding structure of the Mortgaged Properties; and/or

(b) to change the corporate structure or composition of the Security Group itself; and/or

(c) to make modifications to certain of the terms and conditions of, or the covenants contained in, the Common Terms Agreement and/or the other Transaction Documents (such modifications being the "**Proposed Restructuring Modifications**"),

by delivering a Restructuring Proposal Certificate to the Obligor Security Trustee, the Note Trustee and the Rating Agencies. Any Restructuring Proposal Certificate will be required to:

(a) describe, in reasonable detail, the proposed changes to the composition, holding structure or corporate structure of the Mortgaged Properties and/or the Security Group, as the case may be ("**Proposed Structural Changes**");

(b) certify that such Proposed Structural Changes and/or all Proposed Restructuring Modifications are necessary or desirable to achieve an Accepted Restructuring Purpose;

(c) certify, among other things, whether the Proposed Restructuring Modifications involve any Basic Terms Modification or any modification over which Blocking Rights have been given; and

(d) attach, as schedules thereto:

(i) execution copies of such deeds and agreements, in a form previously agreed by the Obligor Security Trustee and (if relevant) the Note Trustee, as are necessary to amend and restate the Transaction Documents (or any of them) in order to implement the Proposed Restructuring Modifications, together with blacklined versions indicating all changes made to such Transaction Documents;

(ii) execution copies of all agreements, deeds, certificates and other documents (other than those referred to in paragraph (i) above), in a form previously agreed

by the Obligor Security Trustee and (if relevant) the Note Trustee, which are required to be executed in order to effect the Proposed Structural Changes; and

(iii) copies of any legal and tax opinions (which shall be from an Approved Firm) received by the Obligors (and which shall also be addressed to the Obligor Security Trustee, the Note Trustee and the Dealers) in respect of, among other things, such Proposed Structural Changes and/or such Proposed Restructuring Modifications.

Each of the Obligor Security Trustee and the Note Trustee, upon its receipt of a duly completed and executed Restructuring Proposal Certificate (together with all schedules required to be attached thereto) and/or written confirmation that the Ratings Test is satisfied in respect of the Proposed Structural Changes and Proposed Restructuring Modifications, will be required promptly to execute each of the deeds, agreements, certificates and other documents referred to above which require its signature. The Obligor Security Trustee is authorised under the Common Terms Agreement to execute the deeds, agreements, certificates and other documents referred to in paragraphs (d)(i) and (ii) above on behalf of the Obligor Secured Creditors, and no further action will be required to be taken by any Obligor Secured Creditor to effect the amendments set out in such deeds, agreements, certificates and other documents. The Issuer Deed of Charge also provides that, to the extent that any Issuer Transaction Documents are to be amended and restated pursuant to the Proposed Structural Changes and/or the Proposed Restructuring Modifications, the Note Trustee is authorised to execute the amendment and restatement deeds, agreements, certificates and other documents referred to in paragraphs (d)(i) and (ii) above on behalf of the Issuer Secured Creditors, and no further action will be required to be taken by any Issuer Secured Creditors to effect the amendments set out in such deeds and agreements.

The foregoing provisions are subject to the provisions of the Security Trust and Intercreditor Deed described in "— *Basic Terms Modifications*", page 183, and "— *Blocking Rights*", page 197, below.

The Obligors are able to exercise their rights under the Common Terms Agreement as described above on more than one occasion provided it is on each occasion for an Accepted Restructuring Purpose.

Proposed Non-UK Structural Changes

The Principal Obligor may, for the purpose of achieving efficiencies in the business operations of the Security Group, nominate as an Additional Obligor a person or entity that is (A) incorporated or established in an Approved Jurisdiction; (B) resident for tax purposes only in an Approved Jurisdiction and (C) otherwise an Eligible Obligor (the "**Proposed Non-UK Obligor**"), and propose:

(a) the transfer of one or more Mortgaged Properties by any one or more Obligors to that Proposed Non-UK Obligor or the acquisition of one or more Mortgaged Properties and/or Additional Mortgaged Properties by any Proposed Non-UK Obligor in connection with the accession of that Proposed Non-UK Obligor to the Common Terms Agreement and other Obligor Transaction Documents; and

(b) to make modifications to certain of the terms and conditions of, or the covenants contained in, the Common Terms Agreement, the Tax Deed of Covenant and other Transaction Documents in connection with the accession of the Proposed Non-UK Obligor (such modifications being the "**Proposed Non-UK Obligor Modifications**"),

by delivering a Non-UK Obligor Proposal Certificate to the Obligor Security Trustee, the Note Trustee and the Rating Agencies. Any Non-UK Obligor Proposal Certificate is required (among other things) to:

(a) describe, in reasonable detail:

(i) the proposed transfers and modifications (including the Proposed Non-UK Obligor Modifications) and any proposed changes to the composition, holding structure or corporate structure of the Mortgaged Properties and/or the Security Group, as the case may be, as a result of the nomination of that Proposed Non-UK Obligor and the proposal that it acquire one or more Mortgaged Properties (the "**Proposed Non-UK Structural Changes**");

(ii) the nature and proposed ownership of the Proposed Non-UK Obligor and its proposed relationship with the Security Group;

(b) certify whether the Proposed Non-UK Obligor Modifications involve any Basic Terms Modification or any modification in respect of which Blocking Rights have been given;

(c) certify that the Proposed Non-UK Obligor Modifications are required to ensure that those provisions of the relevant Obligor Transaction Documents that apply to Obligors on the express assumption that such Obligors are incorporated and tax resident only in the United Kingdom apply to the Proposed Non-UK Obligor to similar effect as regards the relevant laws and regulations of each of the United Kingdom and the Approved Jurisdiction;

(d) certify:

(i) where the Proposed Non-UK Obligor Modification or Proposed Non-UK Structural Changes involved the transfer of one or more Mortgaged Properties by one or more Obligors to a Non-UK Obligor, the amount of the Disposal Tax Liability that would arise to the Obligors on such transfer of such Mortgaged Properties;

(ii) the amount of any Relevant Contingent Liabilities that would arise to the Proposed Non-UK Obligor (on the assumption that it is an Obligor) in respect of its acquisition of Mortgaged Properties and/or Additional Mortgaged Properties; and

(iii) the amount of any Non-UK Disposal Tax Liability that would arise to the Proposed Non-UK Obligor (on the assumption that it is an Obligor) in respect of its acquisition of Mortgaged Properties and/or Additional Mortgaged Properties,

provided that in each case the amount of any such Liability to Tax shall be an estimate determined by the Principal Obligor acting in good faith with regard to the best information available to it at the time of such determination;and

(e) attach, as schedules thereto:

(i) execution copies of such deeds and agreements, in a form previously agreed by the Obligor Security Trustee and (if relevant) the Note Trustee, as are necessary to amend and restate the Transaction Documents (or any of them) in order to implement the Proposed Non-UK Obligor Modifications, together with blacklined versions showing all changes made to such Transaction Documents;

(ii) a memorandum summarising the material Proposed Non-UK Obligor Modifications and setting out, in reasonable detail, the reason for such proposed modifications with reference to the purpose of such changes;

(iii) execution copies of all agreements, deeds, certificates and other documents (other than those referred to in paragraph (i) above), in a form previously agreed by the Obligor Security Trustee and (if relevant) the Note Trustee, which are required to be executed in order to effect the Proposed Non-UK Structural Changes; and

(iv) copies of any legal and tax opinions (each of which shall be from an Approved Firm) received by the Obligors (and which shall also be addressed to the Obligor Security Trustee, the Note Trustee and the Dealers) in respect of, among other things, such Proposed Non-UK Structural Changes and Proposed Non-UK Obligor Modifications.

Each of the Obligor Security Trustee and the Note Trustee, upon its receipt of (a) a duly completed and executed Non-UK Obligor Proposal Certificate (together with all schedules required to be attached thereto); (b) written confirmation that the Ratings Test is satisfied in respect of the Proposed Non-UK Structural Changes and Proposed Non-UK Obligor Modifications and (c) the documents referred to in "Common Terms Agreement – *Additional Obligors*", page 85, above, will be required promptly to execute each of the deeds, agreements, certificates and other documents referred to above which require its signature. The Obligor Security Trustee is authorised under the Common Terms Agreement to execute the deeds, agreements, certificates and other documents referred to in paragraph (d)(i) and (iii) above on behalf of the Obligor Secured Creditors, and no further action will be required to be taken by any Obligor Secured Creditor to effect the amendments set out in such deeds, agreements, certificates and other documents. The Issuer Deed of Charge also provides that, to the extent that any Issuer Transaction Documents are to be amended and restated pursuant to the Proposed Non-UK Structural Changes and the Proposed Non-UK Obligor Modifications, the Note Trustee is authorised to execute the amendment and restatement deeds and agreements referred to in paragraph (d)(i) and (iii) above on behalf of the Issuer Secured Creditors, and no further action will be required to be taken by any Issuer Secured Creditors to effect the amendments set out in such deeds and agreements.

The foregoing provisions are subject to the provisions of the Security Trust and Intercreditor Deed described in "— *Basic Terms Modifications*", page 183, and "— *Blocking Rights*", page 197, below.

The Obligors are able to exercise their rights under the Common Terms Agreement as described above on more than one occasion provided on each occasion it is for the purpose of introducing a Proposed Non-UK Obligor which is incorporated and tax resident in an Approved Jurisdiction into the Security Group for the purpose described above, and the fact that the Obligors effect changes such as are referred to above for an Accepted Restructuring Purpose shall not prevent them from effecting, or seeking to effect, changes such as are referred to above in relation to Proposed Non-UK Obligors, and vice versa.

Debt Structure of the Security Group Introduction

The Security Group (other than FinCo and any Financial SPV Obligor) may have Unsecured Debt outstanding (but not so as to result in the amount of the Net Unsecured Debt being in breach of the Unsecured Debt Limit).

Subject to the satisfaction of certain conditions set out in the Common Terms Agreement which are described in further detail below (see "— *Permitted Financial Indebtedness*", page 108, below), the Security Group is permitted to incur further Financial Indebtedness from time to time in the following ways:

(a) FinCo is permitted to borrow ICL Loans (including Revolving ICL Loans) from the Issuer under the Intercompany Loan Agreement (and the Issuer will fund such loans from the issuance or, in the case of Revolving ICL Loans, issuance, sale or resale of Notes from time to time);

(b) FinCo is permitted to borrow Further ACF Loans under the Existing ACF Agreements and Further ACF Agreements;

(c) any Obligor will be permitted to enter into one or more Further ACF Agreements and borrow Further ACF Loans (including Revolving R1/R2 ACF Loans) thereunder; and

(d) any Obligor (other than FinCo and any Financial SPV Obligor) will be permitted to incur Unsecured Debt (including the ECP Programme).

In addition, subject to the satisfaction of certain other conditions described in further detail below (see "— ***Liquidity Facility Agreements***", page 25, above and "— *Swap Agreements and Hedging Covenant*", page 113 below), FinCo is permitted to make drawings under Liquidity Facility Agreements and FinCo and any other Obligor that is a Financial SPV Obligor will be permitted to enter into Swap Agreements and incur Financial Indebtedness thereunder.

Unsecured ECP Programme

On 20 October 2006 Land Securities PLC established a euro-commercial paper programme (the "**ECP Programme**") under which Land Securities PLC may issue euro-commercial paper notes up to a maximum aggregate amount of £1,250,000,000 (or such other amount as may be agreed in accordance with the ECP Programme). The ECP Programme was updated on 15 December 2014.

ICL Loans (other than Revolving ICL Loans)

The Common Terms Agreement provides that FinCo may at any time request that the Issuer issue Notes (other than Class R Notes) under the Programme to finance an ICL Loan (other than a Revolving ICL Loan) having a particular Debt Rank, and the Issuer may issue such Notes provided that FinCo is entitled to incur such ICL Loans in accordance with the provisions described in "— *Permitted Financial Indebtedness*", page 108, below. The minimum aggregate face amount of Notes issued on any date will be £50,000,000 (or its equivalent in other currencies); accordingly, the minimum principal amount of ICL Loans (other than Revolving ICL Loans) that FinCo will be permitted to draw on any date will be £50,000,000 (or its equivalent in other currencies).

Existing ACF Agreements

On 29 March 2018, FinCo entered into an ACF Agreement with certain ACF Providers. This ACF Agreement made available to FinCo a committed £1,530,000,000 revolving loan facility. The ACF Providers' commitment under such ACF Agreement will terminate, and all amounts drawn thereunder will in most circumstances be repayable no later than 29 March 2026.

On 9 August 2018, FinCo entered into an ACF Agreement with certain ACF Providers. This ACF Agreement made available to FinCo a committed £460,000,000 revolving loan facility (subsequently increased by £100,000,000 to £560,000,000 on 5 February 2019). The ACF Providers' commitment under such ACF Agreement will terminate, and all amounts drawn thereunder will in most circumstances be repayable no later than 9 August 2026.

On 1 November 2018, FinCo entered into an ACF Agreement with certain ACF Providers. This ACF Agreement made available to FinCo a committed £100,000,000 revolving loan facility. The ACF Providers' commitment under such ACF Agreement will terminate, and all amounts drawn thereunder will in most circumstances be repayable no later than 1 November 2026.

On 25 January 2019, FinCo and an ACF Provider entered into an amendment and restatement agreement with respect to an ACF Agreement originally entered into on 31 January 2017. The amended and restated ACF Agreement made available to FinCo a committed £125,000,000 revolving loan facility. The ACF Provider's commitment under the amended and restated ACF Agreement will terminate, and all amounts drawn thereunder will in most circumstances be repayable no later than 25 January 2026.

On 19 February 2019, FinCo entered into an ACF Agreement with certain ACF Providers. This ACF Agreement made available to FinCo a committed £400,000,000 revolving loan facility. The ACF Providers' commitment under such ACF Agreement will terminate, and all amounts drawn thereunder will in most circumstances be repayable no later than 19 February 2027.

Further ACF Agreements

Any of the Obligors may from time to time propose to enter into one or more agreements for the incurrence of Priority 1 Debt and/or Priority 2 Debt and/or Subordinated Debt, as the case may be, by way of either bank and other third party funding or by way of guarantees or Performance Bonds. If the following criteria (and certain other conditions set out in the Common Terms Agreement) are satisfied in respect of such a proposed agreement:

(a) such agreement provides that all Financial Indebtedness incurred thereunder will be designated as Secured Financial Indebtedness for the purposes of the Obligor Transaction Documents, and provides a mechanism for determining the Debt Rank of every amount or liability that may be advanced or incurred thereunder;

(b) each person to whom an Obligor may owe Financial Indebtedness under such agreement has acceded to the Common Terms Agreement and the Security Trust and Intercreditor Deed in the capacity of an ACF Provider; and

(c) such agreement is explicitly made subject to the Common Terms Agreement and the Security Trust and Intercreditor Deed in its entirety,

(in the case of paragraphs (a) and (c), as certified to the Obligor Security Trustee by two Authorised Signatories), the Obligor Security Trustee is obliged to consent to the entry by the Obligors into such agreement within two Business Days of its receipt of the certificate referred to above, and such agreement will then be designated as a Further ACF Agreement.

Revolving R1/R2 Loans

Function of Revolving R1/R2 Loans: The function of Revolving R1/R2 Loans (being Revolving ICL Loans and Revolving R1/R2 ACF Loans) is to create a funding option for the Obligors in the form of a revolving facility, the Debt Rank of which will change from Priority 1 Debt to Priority 2 Debt in the circumstances and as described in "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", page 126 below, thereby creating a level of credit enhancement for other Priority 1 Debt. There is no requirement for the Obligors to have any Revolving R1/R2 Loans outstanding at any time.

Revolving ICL Loans: Subject to the conditions described below (and in Chapter 19. "*Subscription and Sale*", page 367 and "— *B. Class R Underwriting Agreements*", page 367, below), FinCo may from time to time, if a Class R Underwriting Agreement has been entered into, borrow Revolving ICL Loans from the Issuer under the Intercompany Loan Agreement (as described in "— *Intercompany Loan Agreement*", page 216, below). The Issuer will fund such loans by selling or reselling Class R Notes to the Class R Underwriters in accordance with the Class R Underwriting Agreement (as described in Chapter 19. "*Subscription and Sale*", page 367 and "— *B. Class R Underwriting Agreements*", page 367, below), with Class R1 Notes financing Revolving R1 ICL Loans and Class R2 Notes financing Revolving R2 ICL Loans.

Revolving R1/R2 ACF Loans

Any Obligor is permitted to enter into revolving Further ACF Agreements from time to time, as described in "— *Further ACF Agreements*" in the preceding section. A "**Revolving R1/R2 ACF Agreement**" is an ACF Agreement which meets the following criteria:

(a) it is explicitly designated as such;

(b) it makes available to the relevant Obligor a special tranche, specifically designated as an "R1/R2 Tranche", which can, at the relevant Obligor's option (as between such Obligor

and the relevant ACF Provider(s)), or as otherwise required by the terms of the Common Terms Agreement, be drawn either as Priority 1 Debt or as Priority 2 Debt; and

(c) it specifically incorporates by reference those provisions of the Common Terms Agreement which set out the reborrowing restrictions and requirements set out in "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", page 126 below.

The Existing ACF Agreements are all Revolving R1/R2 ACF Agreements.

Repayment of ICL Loans and ACF Loans on Ratings Event

The Issuer is required promptly to notify FinCo, the Obligor Security Trustee and the Representatives of the ACF Providers in writing if, following the occurrence of a Ratings Event, it exercises its right to redeem the Notes subject to Noteholders' Affirmations. If, in the meetings of Noteholders of each Sub Class that will be required to be held in such circumstances, Noteholders of any Sub-Class(es) resolve in accordance with Condition 8(c) (*Optional Redemption as Result of Ratings Event*) (which requires a vote of at least 75% of all Noteholders of the relevant Sub-Class(es) entitled to vote) in favour of redemption, then FinCo will be required, in accordance with the Common Terms Agreement, to repay the corresponding ICL Loan(s) on the date upon which such Sub-Class(es) of Notes are to be redeemed. In addition, the Obligors may be required, in accordance with the terms of an ACF Agreement, to repay all of the ACF Loans outstanding under that ACF Agreement following an election by the Issuer to exercise its right to redeem the Notes upon the occurrence of a Ratings Event.

Ranking of Financial Indebtedness

With the exception of Financial Indebtedness incurred under any Liquidity Facility Agreement (which, together with indebtedness under Swap Agreements (other than in respect of Swap Termination Amounts and Swap Subordinated Amounts), and in respect of amounts due and payable pursuant to a Swap Excluded Obligation (which will fall outside the scope (to the extent lawful) of the Security Group Priorities of Payments) will have a ranking in point of security which is higher than all other Financial Indebtedness), all Financial Indebtedness of the Security Group which is outstanding from time to time is required to have one of the following ranks (each a "Primary Debt Rank"), which are listed in descending order of seniority (in respect of their ranking in point of security only), at the time that such indebtedness is incurred:

(a) Priority 1 Debt;

(b) Priority 2 Debt;

(c) Subordinated Debt; or

(d) Unsecured Debt.

All Subordinated Debt will rank *pari passu* in point of security unless the Obligors (A) establish Secondary Debt Ranks for each Subordinated ICL Loan and Subordinated ACF Loan (a "**Subordinated Debt Split**") or (B) if such Secondary Debt Ranks have already been established,

change the ranking of such Secondary Debt Ranks. The Obligors are, however, prohibited from creating or changing any Secondary Debt Ranks (or changing the Secondary Debt Rank of any outstanding Subordinated ICL Loan or Subordinated ACF Loan) unless the Obligor Security Trustee has received the prior written consent of:

(a) the Representative of the ACF Provider of any outstanding Subordinated ACF Loan which would, as a result of the introduction or change of any Secondary Debt Ranks, be subordinated in point of security to any Subordinated ACF Loan or Subordinated ICL Loan to which it is not then subordinated; and

(b) the Note Trustee (acting on an Extraordinary Resolution of the Noteholders of any Affected Class) if, as a result of the introduction or change of such Secondary Debt Ranks, any outstanding Subordinated ICL Loan would be subordinated in point of security to any Subordinated ACF Loan or Subordinated ICL Loan to which it is not then subordinated.

The Common Terms Agreement also prohibits the Obligors from changing the Primary Debt Rank of any outstanding Loan unless (a) the Obligor Security Trustee has first received the written consent of (in the case of an ACF Loan) the Representative of the relevant ACF Provider(s) or (in the case of an ICL Loan) of the Note Trustee (acting on an Extraordinary Resolution of the Noteholders of any Affected Class), (b) the Obligors would be permitted to incur Financial Indebtedness in the Adjusted Principal Amount of such Loan and with such proposed Debt Rank in accordance with the provisions described in "— *Permitted Financial Indebtedness*", page 108, below, on the date of the proposed change in the Primary Debt Rank and (c) the Obligors would be permitted to Prepay Financial Indebtedness in the Adjusted Principal Amount of such Loan and of the relevant Debt Rank in accordance with the provisions described in "— *Prepayment of Non-Contingent Loans*", page 115, below, on the date of the proposed change in the Primary Debt Rank.

Under the Common Terms Agreement:

(a) all Initial ICL Loans have the Debt Rank of Priority 1 Debt;

(b) each ICL Loan will have the Debt Rank specified in the notice delivered by FinCo to the Issuer which requests the Issuer to issue further Notes to finance such Further ICL Loan;

(c) the Debt Rank of each Further ACF Loan will be determined in accordance with the procedures set out in the relevant ACF Loan Agreement;

(d) any Revolving R1 ICL Loan will have the Debt Rank of Priority 1 Debt;

(e) any Revolving R2 ICL Loan will have the Debt Rank of Priority 2 Debt;

(f) any Revolving R1/R2 ACF Loan will have the Debt Rank of either Priority 1 Debt or Priority 2 Debt (see "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", page 126 below); and

(g) each Sub-Class of Notes will have a ranking which corresponds to the Debt Rank of its corresponding ICL Loan and vice versa.

Any Financial Indebtedness (other than Secured Financial Indebtedness incurred under a Liquidity Facility Agreement or a Swap Agreement) which is not ranked as Priority 1 Debt, Priority 2 Debt or Subordinated Debt in accordance with the Common Terms Agreement at the time of incurrence thereof will have the Debt Rank of Unsecured Debt.

Whether and the extent to which the Obligors will be able at any time to incur Financial Indebtedness having a particular Debt Rank will be determined as described in "— *Permitted Financial Indebtedness*" immediately below.

Permitted Financial Indebtedness

Permitted Drawings and Headroom Tests: The Common Terms Agreement prohibits the Obligors from making any drawing of Priority 1 Debt, Priority 2 Debt, Subordinated Debt or Unsecured Debt which is not a Permitted Drawing.

A Permitted Drawing is (without prejudice to the provisions for incurring Financial Indebtedness set out in "*The Additional Tier Tests and Headroom Tests*", page 127 below), the drawing, issuance or incurrence of:

(a) Priority 1 Debt or Priority 2 Debt, provided that such drawing, issuance or incurrence would not cause the Security Group Net Debt Outstanding (if the same were calculated at that time in accordance with the Tier Tests) to exceed the Security Group Net Debt Outstanding (as calculated in accordance with the Tier Tests as of the most recent Tier Test Calculation Date) by more than the Maximum Drawing Amount;

(b) Priority 1 Debt, provided that such drawing, issuance or incurrence would not cause the P1 Headroom Test to be breached (or, if already breached, to be breached further);

(c) Priority 2 Debt, provided that such drawing, issuance or incurrence would not cause the P2 Headroom Test to be breached (or, if already breached, to be breached further);

(d) Subordinated Debt, provided that the SD Headroom Test is satisfied at that time and, if the Obligors have established Secondary Debt Ranks in accordance with the provisions described in "— *Ranking of Financial Indebtedness*", page 106, above and there is outstanding Subordinated Debt with a Secondary Debt Rank lower than such proposed Subordinated Debt, the Obligor Security Trustee has first received the written consent of (a) the Representative of the ACF Provider of any outstanding Subordinated ACF Loan which has a lower Secondary Debt Rank than such proposed Subordinated Debt and (b) the Note Trustee (acting on an Extraordinary Resolution of the Noteholders of any Affected Class); or

(e) Unsecured Debt, provided that such drawing, issuance or incurrence would not cause the UD Headroom Test to be breached (or, if already breached, to be breached further),

and provided further that such drawing, issuance or incurrence would not (i) be a Prohibited Transaction or (ii) in the case of any Non-Contingent Loan which has the Primary Debt Rank of Priority 1 Debt, Priority 2 Debt or Subordinated Debt, breach the Maturity Restrictions (which are described in the next section).

For the avoidance of doubt, neither the repayment and immediate redrawing of a revolving loan under the same facility agreement (including the Intercompany Loan Agreement) nor the issue of commercial paper (the full proceeds of which are applied, on the relevant issue date, to the redemption of commercial paper which has fallen due for redemption) shall of itself constitute a breach of any Headroom Test or be a Prohibited Transaction; provided in either case that the revolving loan which is redrawn or the commercial paper so issued, as the case may be, has the same or a lower Debt Rank as the revolving loan so repaid or the commercial paper so redeemed, as the case may be.

The P1 Headroom Test will be satisfied in respect of a Proposed Additional Transaction (which may include a proposed drawing of Further Priority 1 Debt) (see "— *The Additional Tier Tests and Headroom Tests*", page 127, below) if, for the purposes of the Additional Tier Tests conducted in respect of such transaction:

(a) were only Priority 1 Debt and Financial Indebtedness ranking senior to Priority 1 Debt pursuant to the relevant Security Group Priority of Payments as of the date of the test included:

  (i) in the determination of the Security Group Net Debt Outstanding for the purpose of calculating the Additional LTV, the Additional LTV so calculated would have been equal to or less than 55% (or 50% if the relevant Additional Calculation Date falls within a Change of Control Period); and

  (ii) in the determination of the Projected Interest Charges for the purpose of calculating the Additional Projected ICR, the Additional Projected ICR so calculated would have been equal to or greater than 1.85:1; and

(b) were only Priority 1 Debt (other than Revolving R1/R2 Loans) and Financial Indebtedness ranking senior to Priority 1 Debt pursuant to the relevant Security Group Priority of Payments as at the date of the test included, in the determination of the Security Group Net Debt Outstanding for the purpose of calculating the Additional LTV, the Additional LTV so calculated would have been equal to or less than 45% (or 40% if the relevant Additional Calculation Date falls within a Change of Control Period); and

(c) were only Priority 1 Debt, Priority 2 Debt, Financial Indebtedness ranking senior to Priority 1 Debt pursuant to the relevant Security Group Priority of Payments and (for the purposes of paragraph (i) below only) Deemed Tax Borrowings as at the date of the test included:

  (i) in the determination of the Security Group Net Debt Outstanding for the purpose of calculating the Additional LTV, the Additional LTV so calculated would have been equal to or less than 65% (or 60% if the relevant Additional Calculation Date falls within a Change of Control Period); and

  (ii) in the determination of the Projected Interest Charges for the purpose of calculating the Additional Projected ICR, the Additional Projected ICR so calculated would have been equal to or greater than 1.45:1.

The P2 Headroom Test will be satisfied in respect of a Proposed Additional Transaction (which may include a proposed drawing of Priority 2 Debt) (see "— *The Additional Tier Tests and Headroom Tests*", page 127, below) at any time if, for the purposes of the Additional Tier Tests conducted in respect of such transaction, were only Priority 1 Debt, Priority 2 Debt and (for the purposes of paragraph (a) below only) Deemed Tax Borrowings as at the date of the test to have been included:

(a) in the determination of the Security Group Net Debt Outstanding for the purpose of calculating the Additional LTV, the Additional LTV so calculated would have been equal to or less than 65% (or 60% if the relevant Additional Calculation Date falls within the Change of Control Period); and

(b) in the determination of the Projected Interest Charges for the purpose of calculating the Additional Projected ICR, the Additional Projected ICR so calculated would have been equal to or greater than 1.45:1.

The SD Headroom Test will be satisfied in respect of a proposed drawing of Further Subordinated Debt at any time if such drawing is not a Prohibited Transaction.

The UD Headroom Test will be satisfied in respect of a proposed drawing of Unsecured Debt if such drawing would not cause the Net Unsecured Debt to exceed the Unsecured Debt Limit.

While failure to satisfy the relevant Headroom Tests may prevent the Obligors from making any drawing of Priority 1 Debt, Priority 2 Debt, Subordinated Debt or Unsecured Debt, as the case may be, it will not prevent FinCo from making a drawing under any Liquidity Facilities then in place.

Drawings, issuance or incurrence of Priority 1 Debt, Priority 2 Debt or Unsecured Debt in breach of the Headroom Tests may (notwithstanding the above) be made as a Rating Affirmed Matter.

Maturity Restrictions

The Obligors are prohibited at any time (in this section, the "**relevant time**") from incurring or changing the scheduled maturity date of:

(a) any Priority 1 Debt, Priority 2 Debt or Subordinated Debt which is to be or has been incurred pursuant to any Non-Contingent Loan if such incurrence or change would cause the Adjusted Principal Amount of all Priority 1 Debt, Priority 2 Debt and Subordinated Debt incurred pursuant to Non-Contingent Loans falling due in any two-year period (being, for this purpose, any period of 730 days) to be equal to or exceed 20% of the Total Collateral Value at the relevant time (or, if such 20% threshold was already equalled or exceeded immediately prior to such incurrence or change, to be exceeded further);

(b) any Priority 1 Debt which is to be or has been incurred pursuant to any Non-Contingent Loan if such incurrence or change would cause the Adjusted Principal Amount of all Priority 1 Debt incurred pursuant to Non-Contingent Loans falling due more than 25 years after the relevant time to be equal to or exceed 20% of the Total Collateral Value at the

relevant time (or, if such 20% threshold was already equalled or exceeded immediately prior to such incurrence or change, to be exceeded further); and

(c) any Priority 1 Debt or Priority 2 Debt which is to be or has been incurred pursuant to any Non Contingent Loan if such incurrence or change would cause the Adjusted Principal Amount of all Priority 1 Debt and Priority 2 Debt incurred pursuant to Non-Contingent Loans falling due more than 25 years after the relevant time to be equal to or exceed 30% of the Total Collateral Value at the relevant time (or, if such 30% threshold was already equalled or exceeded immediately prior to such incurrence or change, to be exceeded further),

(the "**Maturity Restrictions**").

For the purposes of the Maturity Restrictions and the Reserving Requirements (defined below), the paragraphs below apply:

(a) commercial paper which is supported by (i) a backstop liquidity facility, subject to sub paragraph (ii) below, will be deemed to fall due upon the latest possible scheduled maturity date of such facility or (ii) a revolving facility provided pursuant to an ACF Agreement shall be deemed to fall due on the date upon which amounts drawn under such facility would be deemed to fall due in accordance with paragraphs (b) to (d) (inclusive) below;

(b) subject to paragraphs (c) and (d) below, revolving facilities will be deemed to fall due and to be repayable on the scheduled expiry of such facility;

(c) if any amount is drawn under a revolving facility made available pursuant to an ACF Agreement, and the ACF Providers' commitment under that facility is scheduled to reduce in part at any future date (in this section, the "**step down date**"), an amount equal to the positive difference (if any) between the amount drawn under such facility at any relevant time and the amount that will be the ACF Providers' commitment under such facility immediately following the step down date will be deemed to fall due on the step down date; and

(d) if any revolving facility made available pursuant to an ACF Agreement has a final maturity falling at least four years from the date (the "**start date**") on which such facility was granted or extended, then, subject to paragraph (c) above, in the first two years from the start date no amount shall (for these purposes only) be treated as falling due but on and after the second anniversary of the start date the amount from time to time drawn under the facility will be treated as falling due and being repayable on the scheduled expiry of such facility.

For the avoidance of doubt, the Maturity Restrictions are without prejudice to the provisions of the Security Trust and Intercreditor Deed referred to in "— *Basic Terms Modifications*", page 183, below and "— *Rating Affirmed Matters*", page 185, below.

To the extent that Priority 1 Debt, Priority 2 Debt or Subordinated Debt incurred pursuant to a Non Contingent Loan does not have a scheduled maturity date at least two years later than its

expected maturity date or does not have an expected maturity date (such expectation arising in each case by virtue of an actual margin step-up on a scheduled date), then the Obligors will ensure that either:

(a) a reserve will be created, a committed facility entered into or an existing facility blocked in the amount of at least 50% of the Adjusted Principal Amount of such Priority 1 Debt, Priority 2 Debt or Subordinated Debt which is due on the latest possible scheduled maturity date not later than 12 months prior to the latest possible scheduled maturity date. This reserve/ commitment will be increased over the following months such that it represents at least 75% of the Adjusted Principal Amount of such Priority 1 Debt, Priority 2 Debt or Subordinated Debt which is due on the latest possible scheduled maturity date not later than nine months prior to, and 100% not later than six months prior to, the latest possible scheduled maturity date; or

(b) the absence of the reserve, commitment or blocked facility referred to in paragraph (a) above is approved as a Rating Affirmed Matter not less than 10 and not more than 14 months prior to the latest possible scheduled maturity date in respect of such Priority 1 Debt, Priority 2 Debt or Subordinated Debt,

(the "**Reserving Requirements**").

Liquidity Facility Agreements

Mandatory Liquidity Provisions: FinCo may, in the circumstances described below, be required to enter into Liquidity Facility Agreements from time to time. If it does, it shall ensure that the relevant Liquidity Facility Provider has acceded to the Common Terms Agreement and the Security Trust and Intercreditor Deed in its capacity as such and satisfies certain other criteria set out in the Common Terms Agreement. At the date of this Base Prospectus, no Liquidity Facility Agreement has been entered into.

If the LTV or the Additional LTV is greater than or equal to 56% as at any Tier Test Calculation Date or Additional Calculation Date, FinCo will be considered to have "**breached**" the Liquidity Threshold and will be required to either:

(a) have in place, at all times during the Liquidity Relevant Period, committed Liquidity Facilities which have an aggregate commitment amount (whether drawn or undrawn) equal to or greater than the Required Liquidity Amount; or

(b) Prepay Non-Contingent Loans during the Liquidity Relevant Period in accordance with the Liquidity Prepayment Provision (see "— *Mandatory Prepayment Provisions*", page 119, below).

FinCo is, pursuant to the Common Terms Agreement, deemed to have complied with its obligations under paragraph (a) above by having the Required Liquidity Amount from time to time standing to the credit of a separate ledger in the Income Replacement Account maintained by the Cash Manager for the purpose (the "**Liquidity Ledger**").

FinCo is entitled (through the Cash Manager), and obliged, to access the funds standing to the credit of the Liquidity Ledger to the extent that interest on Priority 1 Debt (and amounts, other than in respect of Rental Loans, ranking senior thereto under the relevant Security Group Priority of Payments) are not capable of being paid on their due dates from cash that is available to be applied in making payments pursuant to the Security Group Pre-Enforcement Priority of Payments (up to the amount of such ledger balance); and the Obligor Security Trustee is required, and obliged, to access the funds standing to the credit of the Liquidity Ledger to the extent of any such shortfall in respect of cash that is available to be applied in making payments pursuant to the Security Group Post Enforcement (Pre-Acceleration) Priority of Payments (up to the amount of such ledger balance). As in the case of any other Obligor Account, the balance on the Income Replacement Account will be applied as and when determined by the Obligor Security Trustee in accordance with the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments after delivery of a Loan Acceleration Notice. The Obligors are permitted to withdraw funds standing to the credit of the Liquidity Ledger at any time to the extent that such funds exceed the Required Liquidity Amount at that time.

Restrictions on drawdown: FinCo is not permitted to draw any Financial Indebtedness under any Liquidity Facility Agreement entered into pursuant to the foregoing provisions except for the purpose of paying interest on Priority 1 Debt (and amounts, other than in respect of Rental Loans, ranking senior thereto under the relevant Security Group Priority of Payments).

Other Liquidity Facility Agreements: FinCo is permitted from time to time to enter into Liquidity Facility Agreements (in addition to any that may be required to be in place pursuant to the covenant set out above) which will be capable of being drawn for the purpose of paying interest on Financial Indebtedness of any Debt Rank as may be agreed with the relevant Liquidity Facility Provider and certain other amounts ranking senior thereto under the relevant Security Group Priority of Payments; provided that FinCo shall not enter into any such Liquidity Facility Agreement if it would cause the aggregate amount committed under such Liquidity Facility Agreements to exceed 2% of the Total Collateral Value (as calculated as of the most recent Scheduled Calculation Date falling prior to the date of the relevant Liquidity Facility Agreement).

Ranking: The ranking in point of security of Financial Indebtedness incurred under the Liquidity Facility Agreements vis-à-vis the other Financial Indebtedness of the Security Group will be determined in accordance with the Security Trust and Intercreditor Deed (see the Security Group Priorities of Payments set out in "— *Security Trust and Intercreditor Deed*", page 171, below).

Swap Agreements and Hedging Covenant

FinCo or a Financial SPV Obligor is permitted to enter into Swap Transactions from time to time and may be required to do so in order to satisfy the requirements of the Hedging Covenant. Land Securities PLC may not be a party to any Swap Agreements.

All Swap Agreements entered into prior to the date of this Base Prospectus have been entered into in the form, as amended by the parties thereto, of the 1992 ISDA Master Agreement (Multicurrency Cross Border). Swap Transactions entered into after the date of this Base Prospectus will be required to be pursuant to Swap Agreements substantially in the form of the first-mentioned Swap Agreements unless otherwise agreed or required by the Rating Agencies (see "— *Hedging Arrangements*", page 229, below for further details).

The Obligors are required to ensure that permitted Obligors enter into Swap Transactions in accordance with the Common Terms Agreement to ensure that, as of the Exchange Date and each Scheduled Calculation Date and Additional Calculation Date, the Security Group (to be treated for this purpose as a single entity with all the Financial Indebtedness of all the Obligors) is hedged against interest rate fluctuations in respect of:

(a) if the T1 Covenant Regime or the T2 Covenant Regime applies on that day:

(i) all interest payments that the Security Group is scheduled to make after that day but prior to the second anniversary of that day in respect of not less than 75% (by Adjusted Principal Amount on that day) of Non-Contingent Loans which are outstanding on that day; and

(ii) all interest payments that the Security Group is scheduled to make on or at any time after the second anniversary of that day in respect of not less than 50% (by Adjusted Principal Amount on that day) of Non-Contingent Loans which are outstanding on that day; or

(b) save as provided below, if a T3 Covenant Regime applies on that day:

(i) all interest payments that the Security Group is scheduled to make after that day but prior to the fifth anniversary of that day in respect of not less than 90% (by Adjusted Principal Amount on that day) of Non-Contingent Loans which are outstanding on that day;

(ii) all interest payments that the Security Group is scheduled to make on or after the fifth anniversary of that day but before the tenth anniversary of that day in respect of not less than 75% (by Adjusted Principal Amount on that day) of Non-Contingent Loans which are outstanding on that day; and

(iii) all interest payments that the Security Group is scheduled to make on or after the tenth anniversary of that day in respect of not less than 50% (by Adjusted Principal Amount on that day) of Non-Contingent Loans which are outstanding on that day,

provided that any interest payments that any member of the Security Group is scheduled to make in respect of a Non-Contingent Loan which has a scheduled maturity date falling after its expected maturity date (such expectation arising by virtue of an actual margin step-up on a scheduled date) shall be disregarded for the purposes of paragraphs (a) and (b) above unless and until such Non Contingent Loan is not repaid in full on such expected maturity date.

Upon entering a T3 Covenant Regime from either the T1 Covenant Regime or the T2 Covenant Regime, the Obligors will not be required to comply with the requirements of paragraph (b) above until the date falling 45 days after the date upon which the T3 Covenants begin to apply.

The Security Group (to be treated for this purpose as a single entity with all the Financial Indebtedness of all the Obligors) is also required to ensure that its net currency exposure is fully hedged into sterling as of the Exchange Date, each Scheduled Calculation Date and Additional

Calculation Date, provided and to the extent that the Security Group's aggregate net currency exposure exceeds £50,000,000 (or its spot equivalent in the relevant currency/ies) (subject to Indexation). For this purpose, the Security Group's "**net currency exposure**" for a currency other than sterling means the Adjusted Principal Amount of the Financial Indebtedness denominated in such currency less the aggregate value of its assets which are denominated in such currency or situated in the relevant currency zone, as determined by the Principal Obligor or, if such sum is a negative number, zero.

The Obligors are prohibited from entering into Swap Transactions with counterparties other than those having the Swap Counterparty Minimum Short-Term Ratings and Swap Counterparty Minimum Long Term Ratings or whose obligations in respect of such Swap Transaction are fully and unconditionally guaranteed by a financial institution which has the Swap Counterparty Minimum Short Term Ratings and Swap Counterparty Minimum Long-Term Ratings. The Obligors will also be prohibited from entering into any Swap Transaction which is either (a) unrelated to any existing liability of the Security Group (taken as a whole) or any other permitted liability unless such Swap Transaction is related to a liability which is expected by the Obligors to come into existence and which is a liability in relation to the whole or part of which the Obligors would reasonably expect to enter into a Swap Transaction or (b) for more than 120% of the aggregate liabilities of the Security Group (taken as a whole) which, but for being hedged, would be subject to the risk of interest rate and/or currency fluctuation.

The Hedging Covenant will be reviewed from time to time by the Security Group and may be amended by the Security Group in line with market developments, regulatory developments or good industry practice. If the Security Group wishes to make any such amendments, however, it must deliver a request setting out the proposed amendments to the Rating Agencies and the Obligor Security Trustee; and subject to the exercise of any relevant Blocking Rights any such proposed amendments to the Hedging Covenant will only be effective upon such amendment being approved as a Rating Affirmed Matter.

Ranking: The ranking in point of security of the Obligors' liabilities under the Swap Agreements (excluding any obligation to pay amounts due and payable pursuant to a Swap Excluded Obligation (which will fall outside the scope (to the extent lawful) of the Security Group Priorities of Payments)), vis-à-vis other Secured Financial Indebtedness of the Obligors, will be determined in accordance with the Security Trust and Intercreditor Deed (see the Security Group Priorities of Payments set out in "*Security Trust and Intercreditor Deed*", page 171, below).

Prepayment of Non-Contingent Loans

Introduction

The Obligors are permitted (and may, in the circumstances described in this section, be required) to Prepay Non-Contingent Loans (being Loans which are not Contingency Bonds) from time to time in accordance with the Common Terms Agreement. Prepayment may be effected in a number of ways, including the deposit of funds into the Debt Collateralisation Account and (in the case of ICL Loans) the purchase and surrender by FinCo of the Notes which correspond to such Loan.

General covenants

The Obligors are not permitted to Prepay any Non-Contingent Loan if an Obligor Event of Default is continuing unwaived (other than a Prepayment which would have the effect of remedying an Obligor Event of Default or is part of a series of transactions scheduled to complete within a single 30-day period that will, together, have the effect of remedying such Obligor Event of Default) or if such Prepayment would be a Prohibited Transaction (provided that the foregoing will not prohibit the Actual Prepayment and/or Buyback at any time of any Non-Contingent Loan from amounts standing to the credit of the DCA Ledger for that Non-Contingent Loan (see "— *Collateralisation*", page 117, below).

FinCo, when Actually Prepaying any ICL Loan permitted or required to be Prepaid in whole or in part on any date, shall pay to the Issuer, in addition to the principal amount of such Prepayment (the "**Prepayment Amount**"):

(a) all accrued but unpaid interest on the Prepayment Amount; and

(b) (by virtue of the matching terms of each ICL Loan with the corresponding Notes) an amount equal to any additional amount that the Issuer will be required to pay to the holders of the corresponding Notes in order to prepay an amount of principal of such Notes equal to the Prepayment Amount, including any premium or penalty payable on such Notes, in each case calculated in accordance with Condition 8 (*Redemption, Purchase and Cancellation*).

Source of Prepayment

The Obligors are not permitted to:

(a) actually Prepay or Buyback any Non-Contingent Loan on any date except from one or more of the following sources:

    (i) funds (from any source) remaining on such date after all other amounts payable by the Obligors pursuant to paragraphs (a) to (s) (or paragraphs (a) to (j), if such Actual Prepayment or Buyback is a Mandatory Prepayment) of the Security Group Pre Enforcement Priority of Payments have been paid;

    (ii) proceeds from a Permitted Drawing made on such date; and

    (iii) deposits standing to the credit of the Debt Collateralisation Account on such date (provided that the Obligors will not be permitted to use funds standing to the credit of a DCA Ledger for one Non-Contingent Loan to Actually Prepay or Buyback any other Non-Contingent Loan without the prior written consent of the Obligor Security Trustee, acting on the instructions of the Note Trustee (in turn acting on an Extraordinary Resolution of the Noteholders of the Affected Class) or, as the case may be, of the Representative of the relevant ACF Provider(s)); or

(b) collateralise any Non-Contingent Loan except from one or more of the sources of funds described in paragraphs (a)(i) and (a)(ii) above or by depositing any Notes held by the Obligors into the Debt Collateralisation Account.

Collateralisation

The Cash Manager (on behalf of the Obligors) is required to establish and maintain sub-ledgers ("**Cash DCA Ledgers**") in respect of cash amounts standing to the credit of the Debt Collateralisation Account from time to time. If the Obligors Collateralise any individual Non-Contingent Loan, the Cash Manager will (pursuant to the Account Bank and Cash Management Agreement) be required to establish and maintain a Cash DCA Ledger for such Non-Contingent Loan, credit to such Cash DCA Ledger all amounts deposited to the Debt Collateralisation Account from time to time to Collateralise such Non-Contingent Loan and debit from such Cash DCA Ledger all amounts which are withdrawn from the Debt Collateralisation Account from time to time to Actually Prepay or Buyback such Non-Contingent Loan. Amounts standing to the credit of any Cash DCA Ledger may be used to acquire Eligible Investments from time to time (and such ledger will be debited accordingly), provided that all repayments of principal received by the Obligors in respect of such investments will be required to be credited to such Cash DCA Ledger on the relevant date of receipt.

The Principal Obligor (or FinCo on behalf of the Principal Obligor) is required to establish and maintain sub-ledgers ("**Notes DCA Ledgers**") in respect of any Notes standing to the credit of the Debt Collateralisation Account from time to time and shall establish and maintain a Notes DCA Ledger for the corresponding ICL Loan which is being collateralised, credit to such Notes DCA Ledger the principal amount of the Notes deposited into the Debt Collateralisation Account from time to time to Collateralise that corresponding ICL and debit from such Notes DCA Ledger all amounts which are withdrawn from the Debt Collateralisation Account to Actually Prepay or Buyback from such Non-Contingent Loan in accordance with the terms of the Common Terms Agreement.

The Obligors are permitted to Collateralise any Non-Contingent Loan permitted or required to be Prepaid in accordance with the Common Terms Agreement by depositing an amount in respect of the relevant Prepayment Amount in respect of such Non-Contingent Loan into the Debt Collateralisation Account (which, in the case of the ICL Loan, includes the depositing of any Notes held by an Obligor in respect of the corresponding ICL Loan where the amount deposited will be equal to the aggregate principal amount of such Notes deposited into the Debt Collateralisation Account from time to time) and crediting the amount of such deposit to the DCA Ledger for such Non-Contingent Loan. Notwithstanding the foregoing, the Obligors are prohibited from Collateralising any Non-Contingent Loan if the Actual Prepayment or Buyback of such Non-Contingent Loan would be a Prohibited Transaction. For the avoidance of doubt, Collateralisation of a Loan will not affect the obligation of the relevant Obligors vis-à-vis the relevant creditor in respect of that Loan.

If the Obligors cease to be required to Prepay Non-Contingent Loans pursuant to any of the applicable Mandatory Prepayment Provisions, and at such time there are any sums standing to the credit of either the cash sub-ledger or the investment sub-ledger of any DCA Ledger, FinCo shall be entitled to withdraw all or any of such sums in accordance with the provisions described in "*— Debt Collateralisation Account*", page 222, below.

Order of Prepayment

Unless the Sequential Prepayment Regime applies, the Obligors will be permitted to Prepay any Loan permitted or required to be Prepaid in accordance with the Common Terms Agreement without regard to the Debt Rank of such Loan.

The regime (the "**Sequential Prepayment Regime**") described below will apply to all Prepayments made pursuant to the Mandatory Prepayment Provisions, while an Obligor Event of Default is continuing unwaived or while a T3 Covenant Regime applies, other than the following:

(a) the Actual Prepayment or Buyback of a Non-Contingent Loan from deposits standing to the credit of the DCA Ledger for that Non-Contingent Loan; or

(b) the Actual Prepayment of a Non-Contingent Loan from the proceeds of any Permitted Drawing of Financial Indebtedness having a Debt Rank which is equal to or lower than the Debt Rank of the Non-Contingent Loan so Prepaid.

If the Sequential Prepayment Regime applies, all Prepayments which are otherwise permitted or required by the Common Terms Agreement will be required to be made in the following order of priority:

(a) first, if any Priority 1 Debt remains outstanding on that date, *pro rata* and *pari passu* in or towards Prepayment of all outstanding Non-Contingent Loans which are Priority 1 Debt until all of such Loans have been Prepaid in full;

(b) second, if any Priority 2 Debt remains outstanding on that date, *pro rata* and *pari passu* in or towards Prepayment of all outstanding Non-Contingent Loans which are Priority 2 Debt until all of such Loans have been Prepaid in full; and

(c) third, if any Subordinated Debt remains outstanding on that date, and:

    (i) a Subordinated Debt Split has not yet occurred, *pro rata* and *pari passu* in or towards Prepayment of all outstanding Non-Contingent Loans which are Subordinated Debt; or

    (ii) a Subordinated Debt Split has occurred, in or towards Prepayment of all outstanding Non-Contingent Loans which are Subordinated Debt in order of seniority (as determined by the Secondary Debt Rank of each such Loan), provided that Non Contingent Loans having the same Secondary Debt Rank shall be Prepaid *pro rata* and *pari passu*.

For the avoidance of doubt, the Obligors will not be permitted to Prepay any Non-Contingent Loan while the Sequential Prepayment Regime applies unless they Prepay, *pro rata* and *pari passu*, all other Non-Contingent Loans having the same Debt Rank.

ICL Loans

The Obligors will not be permitted to Actually Prepay any ICL Loan on any date other than a date upon which the Issuer is permitted or required to redeem principal on the corresponding Notes in accordance with Condition 8 (*Redemption, Purchase and Cancellation*).

Purchase of Notes by Obligors

FinCo or any other Obligor which is tax resident in the United Kingdom and which meets certain other criteria set out in the Common Terms Agreement may at any time purchase any of the Notes. If FinCo purchases any Notes and it elects to surrender such Notes:

(a) it shall forthwith notify the Issuer and the Note Trustee of the same and surrender such Notes to the Issuer for cancellation in accordance with Condition 8(g) (*Purchase of Notes by FinCo and other Obligors*); and

(b) upon cancellation of such Notes (other than any Class R Notes) in accordance with such Condition:

(i) an amount equal to the amount of accrued but unpaid interest on such Notes as at the date of cancellation shall be deemed to have been paid on the corresponding ICL Loan; and

(ii) an amount equal to the Principal Amount Outstanding of such Notes as at the date of cancellation shall be deemed to have been repaid on the corresponding ICL Loan,

in each case on the date of such cancellation, and upon such cancellation, the corresponding ICL Loan will be deemed to have been Prepaid by way of Buyback.

Mandatory Prepayment Provisions

The Obligors will be required to Prepay Non-Contingent Loans in part in the circumstances described in this section.

Upon Ratings Event or failure to obtain Ratings Affirmation: If, during any five-year period which begins on the later of (A) the Exchange Date and (B) the most recent Ratings Affirmation:

(a) a Ratings Event occurs and does not cease to occur on or prior to the last day of such five year period; or

(b) no Ratings Affirmation is obtained on or prior to the last day of such five-year period,

then, on and from the last day of such five-year period until the Ratings Event ceases to occur or a Ratings Affirmation is obtained, as applicable, the Obligors will be required, on each date specified in the most recent Amortisation Schedule, to Prepay Non-Contingent Loans in an amount equal to the amount specified in such Amortisation Schedule (the foregoing being the "**Ratings Event Prepayment Provision**").

While a T3 Covenant Regime applies: For so long as a T3 Covenant Regime applies, the Obligors will be required on each date specified in the most recent Amortisation Schedule to Prepay Non Contingent Loans in an amount equal to the amount specified in such Amortisation Schedule (the "**T3 Prepayment Provision**").

Pursuant to the Mandatory Liquidity Provisions: If, during any Liquidity Relevant Period, the aggregate of (a) the aggregate amount committed under all Liquidity Facility Agreements which comply with the Mandatory Liquidity Provisions (if any) and (b) the amount (if any) standing to the credit of the Liquidity Ledger, is less than the Required Liquidity Amount, the Obligors will be required on each date specified in the most recent Amortisation Schedule throughout the Liquidity Relevant Period to Prepay Non-Contingent Loans in an amount equal to the amount specified in such Amortisation Schedule (the "Liquidity Prepayment Provision").

Due to breach of P1 Debt Test: If the P1 LTV calculated as of the most recent:

(a) Tier Test Calculation Date exceeds 55% (or, during a Change of Control Period, 50%); or

(b) Additional Calculation Date exceeds 55% (or, during a Change of Control Period, 50%), and the relevant Additional LTV (ignoring all debt other than Priority 1 Debt and amounts ranking senior to Priority 1 Debt in accordance with the relevant Security Group Priority of Payments as at the date of the test) calculated as of that date is not less than or equal to 55% (or, during a Change of Control Period, 50%),

(such Calculation Date being a "**P1 Breach Date**"), and a P1 Breach Amount remains outstanding on the day after the later of:

(i) the date of delivery to the Obligor Security Trustee of a Calculation Certificate in respect of such P1 Breach Date or the date upon which a Calculation Certificate was required to be delivered in respect of such P1 Breach Date, whichever is earlier (the "**P1 Breach Certificate Date**"); and

(ii) if any Revolving R1 ICL Loan is outstanding as of the P1 Breach Certificate Date, the first rollover date to occur in respect of that Revolving R1 ICL Loan following the P1 Breach Certificate Date,

the Obligors will be required on each date specified in the most recent Amortisation Schedule to Prepay Non-Contingent Loans in an amount equal to the amount specified in such Amortisation Schedule (the "**P1 Debt Prepayment Provision**") until such time as no P1 Breach Amount is outstanding.

Pursuant to DPA Prepayment Provision: The Obligors will be required to apply certain amounts standing to the credit of the Disposal Proceeds Account to the Prepayment of Non-Contingent Loans from time to time, as described in "— *Disposal and Insurance Proceeds*", page 155, below (the "**DPA Prepayment Provision**").

Due to breach of LTV threshold during Change of Control Period: For so long as:

(a) a Change of Control Period applies and either the T1 Covenant Regime or the T2 Covenant Regime applies; and

(b) the LTV or Additional LTV calculated as of the most recent Calculation Date falling during such Change of Control Period is greater than (i) 60%, (ii) 50% (if only Priority 1 Debt were taken into account for the purpose of determining the Security Group Net Debt Outstanding) or (iii) 40% (if only Priority 1 Debt other than Revolving R1/R2 Loans were taken into account for the purpose of determining the Security Group Net Debt Outstanding),

the Obligors will be required on each date specified in the most recent Amortisation Schedule to Prepay Non-Contingent Loans in an amount equal to the amount specified in such Amortisation Schedule (the "**Change of Control Prepayment Provision**" and, together with the Ratings Event Prepayment Provision, the T3 Prepayment Provision, the Liquidity Prepayment Provision, the P1 Debt Prepayment Provision and the DPA Prepayment Provision, the "**Mandatory Prepayment Provisions**"). The obligation of the Obligors to Prepay Non-Contingent Loans in accordance with the DPA Prepayment Provision is in each case without prejudice to any other Mandatory Prepayment Provision, and vice versa.

Mandatory Prepayments (other than those made pursuant to the DPA Prepayment Provision, where the obligation to Prepay is absolute) will only be required to be made to the extent of the availability of funds on the relevant date and any subsequent day in accordance with the applicable Security Group Priority of Payments (in this section, the "**limited recourse provision**"). If, by reason of the limited recourse provision, a Mandatory Prepayment is not made in full on any date upon which it is scheduled to be paid, the unpaid amount of such Prepayment will (subject to the limited recourse provision) be required to be paid on the next following day.

The amounts required to be Prepaid pursuant to the Mandatory Prepayment Provisions (other than the DPA Prepayment Provision) will be calculated by the Obligors (or the Cash Manager on their behalf) by drawing up an Amortisation Schedule on the relevant Amortisation Determination Date by reference to the Non-Contingent Loans which are Priority 1 Debt or Priority 2 Debt then outstanding, which schedule shall be replaced by an updated Amortisation Schedule (which, for the avoidance of doubt, will not change the quarterly payment dates or extend the final payment date of the superseded Amortisation Schedule) if:

(a) there are further drawings of Non-Contingent Loans which are Priority 1 Debt or Priority 2 Debt; or

(b) the Obligors Prepay Non-Contingent Loans which are Priority 1 Debt or Priority 2 Debt (excluding Prepayments made pursuant to an existing Amortisation Schedule),

in each case at a time when there is a continuing obligation to make such Prepayments. The first Prepayment date in respect of any Mandatory Prepayment Provision (other than the Ratings Event Prepayment Provision and the DPA Prepayment Provision) will be the first Financial Quarter Date which falls not less than five Business Days following the event giving rise to the obligation to Prepay (provided that, in the case of the T3 Prepayment Provision, the "event giving rise to the obligation to Prepay" shall occur on the relevant Calculation Date rather than the date as of which the Calculation Certificate is delivered in respect of that Calculation Date). The Obligors may

update the Amortisation Schedule at their option from time to time to take account of the amount of Priority 1 Debt and Priority 2 Debt then outstanding (provided that such update will not change the quarterly payment dates or extend the final payment date of the superseded Amortisation Schedule).

Testing

Introduction

The Obligors (or the Principal Obligor on their behalf) are required to conduct the Tier Tests, the Additional Tier Tests, the P1 Debt Test, the Headroom Tests and the Transaction LTV Test from time to time in accordance with the Common Terms Agreement. Each of these tests (which shall be conducted by the Principal Obligor on behalf of the Obligors) calculates certain loan to value and/or interest coverage ratios in respect of the Security Group for the purposes, at the times and in the manner, described below.

Purposes of tests

The Tier Tests will determine the Covenant Regime to which the Obligors will be required to adhere from time to time.

The Additional Tier Tests will determine the Covenant Regime that will apply to (and following the completion of) certain Acquisitions, the incurring of Financial Indebtedness and certain other transactions proposed to be entered into by the Obligors from time to time.

The Headroom Tests will determine (a) the amount of Permitted Drawings available to be drawn by the Obligors from time to time and (b) whether the Obligors will be permitted to enter into contracts in respect of Proposed Additional Transactions from time to time.

The P1 Debt Test will determine the asset cover for the Priority 1 Debt and higher-ranking Financial Indebtedness by reference to a loan to value test only and whether, and the extent to which, Revolving R1/R2 Loans (if any) must change from Priority 1 Debt to Priority 2 Debt and/or Prepayments of Non-Contingent Loans must be made.

The Transaction LTV Test will determine whether the Obligors will be required to reserve for Tax in respect of certain transactions entered into at a time when either the T1 Covenant Regime or T2 Covenant Regime applies in accordance with the Tax Deed of Covenant from time to time.

When tests conducted

The Obligors are (*inter alia*) required to conduct one or more of the following tests on and/or as of the dates indicated below:

(a) the Tier Tests as of each Scheduled Calculation Date and on each Optional Calculation Date (together the "**Tier Test Calculation Dates**"), provided that the Obligors will only be required to calculate the Historical ICR as of Scheduled Calculation Dates falling on or following the first anniversary of the Exchange Date (the Obligors being permitted, but not required, to calculate the Historical ICR on each Optional Calculation Date);

(b) the P1 Debt Test as of each Tier Test Calculation Date (but only if the Tier Tests conducted as of that Tier Test Calculation Date indicate that the T1 Covenant Regime does not apply) and Additional Calculation Date as of which the T1 Covenant Regime does not apply;

(c) the Additional Tier Tests, the P1 Headroom Test, the P2 Headroom Test and (if necessary) the SD Headroom Test and/or the UD Headroom Test on each Additional Calculation Date;

(d) the Transaction LTV Test on each Transaction LTV Calculation Date; and

(e) the Development Test as of each Tier Test Calculation Date and prior to entering into any building contract with respect to a Development Project.

The Obligors are also required to determine whether a P1 Trigger Event or a P2 Trigger Event has occurred as of any Calculation Date (see "— *Loan Enforcement Notice and Enforcement Action*", page 189, below

LTV calculated on most recent Scheduled Calculation Date

As at 31 March 2022, the LTV was 36.4% resulting in a T1 Covenant Regime and the T1 Covenant Regime continues to apply at the date of this Base Prospectus and will apply at least until the next Tier Determination Date and the next Additional Tier Determination Date (see "Determining the Applicable Covenant Regime", page 103 below).

Summary of the Calculation Tests and their purposes

TEST DATES / TEST TYPE	**SCHEDULED CALCULATION DATES**	**ADDITIONAL CALCULATION DATES**	**OPTIONAL CALCULATION DATES**	**TRANSACTION LTV CALCULATION DATES**	**PURPOSE OF TEST**
Tier Tests – LTV, Historical ICR and Projected ICR	✓H	—	✓H	—	Determines which Covenant Regime applies on and from the Tier Determination Date following the relevant Tier Test Calculation Date
P1 Debt Test - P1 LTV	✓H	✓H	✓H	—	Determines asset cover for the Priority 1 Debt and higher-ranking

TEST DATES / TEST TYPE	SCHEDULED CALCULATION DATES	ADDITIONAL CALCULATION DATES	OPTIONAL CALCULATION DATES	TRANSACTION LTV CALCULATION DATES	PURPOSE OF TEST
					Financial Indebtedness and whether, and the extent to which, Revolving R1/R2 Loans (if any) must change from Priority 1 Debt to Priority 2 Debt and/ or Prepayments of Non-Contingent Loans must be made
Additional Tier Tests and Headroom Tests – Additional LTV, Additional Projected ICR and Pro Forma Historical ICR	—	✓[H]	—	—	Determines which Covenant Regime applies on and from the Additional Tier Determination Date following the relevant Additional Calculation Date and whether certain transactions are permitted under the Common Terms Agreement
Transaction LTV Test	—	—	—	✓[T]	Determines whether any reserve is required to be made in

TEST DATES / TEST TYPE	SCHEDULED CALCULATION DATES	ADDITIONAL CALCULATION DATES	OPTIONAL CALCULATION DATES	TRANSACTION LTV CALCULATION DATES	PURPOSE OF TEST
					respect of any tax payable by an Obligor in respect of a Specified Arrangement or a material Disposal

Notes:

H The Obligors will only be required to conduct the Historical ICR in respect of Scheduled Calculation Dates falling on or following the first anniversary of the Exchange Date. In addition, the Obligors may elect (but will not be required) to conduct the Historical ICR on any Optional Calculation Date and the Pro Forma Historical ICR as of any Additional Calculation Date.

P The P1 Debt Test will be conducted only as of (a) Tier Test Calculation Dates if the Tier Tests conducted as of such Calculation Dates indicate that the T1 Covenant Regime does not apply and (b) Additional Calculation Dates as of which the T1 Covenant Regime does not apply.

T The Transaction LTV Test will be conducted on a Transaction LTV Calculation Date only if the T1 Covenant Regime or T2 Covenant Regime then applies.

The Tier Tests

The Obligors are required to calculate:

(a) as of each Tier Test Calculation Date:

(i) a percentage (the "**LTV**") equal to the Security Group Net Debt Outstanding as of such date divided by the Total Collateral Value as of such date (with the quotient being multiplied by 100); and

(ii) the ratio (the "**Projected ICR**") of the Projected EBITDA to the Projected Interest Charges, in each case calculated in respect of the Forward-Looking Calculation Period relating to such date; and

(b) as of each Tier Test Calculation Date which is also a Scheduled Calculation Date falling on or after the first anniversary of the Exchange Date and on each Optional Calculation Date upon which the Obligors have elected to calculate the Historical ICR, the ratio (the "**Historical ICR**") of the Historical EBITDA to the Historical Interest Charges, in each case calculated in respect of the Historical Calculation Period relating to such date.

The P1 Debt Test

If the Tier Tests conducted as of any Tier Test Calculation Date indicate that the Tier 1 Covenant Regime does not apply, the Obligors will be required to recalculate the LTV, ignoring for the purposes of such recalculation all Financial Indebtedness other than outstanding Priority 1 Debt and amounts ranking senior to Priority 1 Debt in accordance with the relevant Security Group Priority of Payments (such recalculation being the "**P1 Debt Test**"). The Obligors will also be required to conduct the P1 Debt Test as of each Additional Calculation Date as of which the T1 Covenant Regime does not apply (for the avoidance of doubt, ignoring the effects of the relevant Proposed Additional Transaction for the purposes of such test).

The Obligors may be required to refinance Revolving R1/R2 Loans which are Priority 1 Debt with Revolving R1/R2 Loans which are Priority 2 Debt and/or Prepay Non-Contingent Loans if the LTV calculated pursuant to the P1 Debt Test (the "**P1 LTV**") exceeds certain thresholds as of any relevant Calculation Date (See "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", immediately below and "— *Due to breach of P1 Debt Test*", page 120, above.)

Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans

If the P1 LTV calculated as of the most recent:

(a) Tier Test Calculation Date exceeds 55% (or, during a Change of Control Period, 50%); or

(b) Additional Calculation Date exceeds 55% (or, during a Change of Control Period, 50%), and the relevant Additional LTV (ignoring all Financial Indebtedness other than Priority 1 Debt and amounts ranking senior to Priority 1 Debt in accordance with the relevant Security Group Priority of Payments) calculated as of that date is not less than or equal to 55% (or, during a Change of Control Period, 50%),

then:

(i) on the P1 Breach Certificate Date, Revolving R1/R2 ACF Loans which are Priority 1 Debt will be automatically redesignated as Priority 2 Debt in an amount equal to the R1/R2 *Pro rata* Amount;

(ii) the Obligors will be prohibited from redesignating as Priority 1 Debt any Revolving R1/R2 ACF Loan which is Priority 2 Debt if there would be a P1 Breach Amount immediately after such redesignation; and

(iii) if any Revolving R1/R2 Loan which is Priority 1 Debt is outstanding as of the P1 Breach Certificate Date, the Obligors will be prohibited from refinancing such Revolving R1/R2 Loan (in whole or in part) with another Revolving R1/R2 Loan which is Priority 1 Debt if there would be a P1 Breach Amount immediately following such refinancing.

The Additional Tier Tests and Headroom Tests

If the Obligors (or any of them) wish to do any of the following or any combination of the following (other than borrowing the Initial ICL Loans and Initial ACF Loans) which the Principal Obligor, acting reasonably, expects to complete within a single 30-day period (or such lesser period as the Principal Obligor may elect):

(a) incurring any Financial Indebtedness which would cause the Security Group Net Debt Outstanding (were the same to be calculated immediately following such incurrence in accordance with the Tier Tests) to exceed, by more than the Maximum Drawing Amount, the Security Group Net Debt Outstanding calculated as of the most recent Tier Test Calculation Date in accordance with the Tier Tests; and/or

(b) making one or more:

(i) Acquisitions involving an aggregate expenditure by the Security Group of more than £50,000,000 (subject to Indexation) since the later of the last Tier Test Calculation Date and the last Additional Calculation Date; and/or

(ii) Disposals or Deemed Disposals or releases from the Estate (since the later of the last Tier Test Calculation Date and the last Additional Calculation Date) of Mortgaged Properties having an aggregate Market Value of greater than £50,000,000 (subject to Indexation); and/or

(iii) Disposals or Deemed Disposals or releases from the Estate of Mortgaged Properties of any value if it is intended that any part of the Sales Proceeds be used to finance a Restricted Payment; and/or

(iv) incurrences of more than £50,000,000 in aggregate (subject to Indexation) of Financial Indebtedness (other than Financial Indebtedness drawn under a Liquidity Facility) since the later of the last Tier Test Calculation Date and the last Additional Calculation Date (provided that the repayment and immediate redrawing of a revolving loan under the same facility agreement (including the Intercompany Loan Agreement) or the issue of commercial paper (the full proceeds of which are applied, on the relevant issue date, to the redemption of commercial paper which has fallen due for redemption) shall not be treated as an incurrence of Financial Indebtedness for the purposes of this paragraph (iv) if the revolving loan which is redrawn or the commercial paper which is issued, as the case may be, has the same Debt Rank as the revolving loan so repaid or the commercial paper so redeemed, as the case may be); and/or

(v) Prepayments of more than £50,000,000 in aggregate (subject to Indexation) since the later of the last Tier Test Calculation Date and the last Additional Calculation Date; and/or

(vi) the withdrawal of more than £50,000,000 in aggregate (subject to Indexation) from the Disposal Proceeds Account, the Debt Collateralisation Account, any Approved Blocked Account or any combination of the foregoing (excluding

withdrawals pursuant to a transfer of funds to the Disposal Proceeds Account, the Debt Collateralisation Account or any Approved Blocked Account) since the later of the last Tier Test Calculation Date and the last Additional Calculation Date,

the probable effect of which (taken as a whole), in the opinion of the Principal Obligor (acting reasonably), would be to breach the P1 Headroom Test, the P2 Headroom Test or the Financial Covenant or cause a more restrictive Covenant Regime to apply were such Headroom Tests or Tier Tests conducted immediately following the completion of such transactions; and/or

(c) making any Acquisition while a T3 Covenant Regime applies (other than an Acquisition which (i) is part of an Intra-Security Group Disposal transaction or (ii) is funded solely by the issue of equity by one or more Obligors to persons outside the Security Group or (iii) involves a property with a purchase price of less than £5,000,000 (subject to Indexation)),

(each such transaction, or combination of transactions, as the case may be, together with any repayments of Financial Indebtedness scheduled to be made during that 30-day (or lesser) period, being a "**Proposed Additional Transaction**"), then the Obligors shall select, as a date upon which to calculate the Additional Tier Tests, a Business Day falling prior to (but not more than 10 Business Days prior to) the Proposed Completion Date in respect of such Proposed Additional Transaction (each such selected Business Day, an "**Additional Calculation Date**").

On each Additional Calculation Date, the Obligors will calculate all of the following:

(a) the LTV assuming, for the purposes of such calculations, that the relevant Proposed Additional Transaction (and any other Proposed Additional Transaction in respect of which the Additional Tier Tests have been conducted but an Additional Tier Determination Date has not occurred (in this section, an "Outstanding Transaction")) completed as of such Additional Calculation Date (the loan to value ratio so calculated being the "**Additional LTV**");

(b) the Projected ICR assuming, for the purposes of such calculations, that the relevant Proposed Additional Transaction (and any Outstanding Transaction) completed as of such Additional Calculation Date (the interest cover ratio so calculated being the "**Additional Projected ICR**");

(c) only if the Principal Obligor elects to do so, the Historical ICR assuming, for the purpose of such calculation, that the relevant Proposed Additional Transaction (and any Outstanding Transaction) was completed as of the first day of the most recently completed Historical Calculation Period (the interest cover ratio so calculated being the "**Pro Forma Historical ICR**");

(d) the P1 Headroom Test and the P2 Headroom Test;

(e) the LTV and the Projected ICR (solely for the purpose of determining whether there has been a breach of the Financial Covenant); and

(f) if the T1 Covenant Regime does not apply as at such Additional Calculation Date, the P1 LTV,

in each case using the most recent information available to the Obligors (which information shall in any case be no older than the information set out in the most recently available month-end management accounts of the Security Group).

The Obligors shall not effect, carry out or complete any Proposed Additional Transaction or any part of it if:

(a) the relevant Additional LTV exceeds 100%, Additional Projected ICR is less than 1.00:1 or Pro Forma Historical ICR (if calculated in respect of such Proposed Additional Transaction) is less than 1.00:1; or

(b) such transaction would cause either the P1 Headroom Test or the P2 Headroom Test to be breached or, if already breached, to be breached further.

Standard of care regarding projections

The Common Terms Agreement provides that all projections made by the Obligors for the purposes of any of the tests referred to in "— *The Additional Tier Tests and Headroom Tests*" immediately above, or for the purpose of determining the Projected ICR or the Transaction LTV, will in each case be made in good faith, using the projection methodologies and assumptions from time to time used by the Obligors in the ordinary course of their business. If (in the opinion of the Principal Obligor, acting reasonably) the adoption of any change in projection methodologies (when considered together with any other changes in such methodologies since the Exchange Date or the date of the most recent Projection Methodologies Confirmation, whichever is more recent) would result in a material alteration of the commercial effect of the Financial Covenant, the Headroom Tests or the Tier Thresholds so as to make any of the foregoing materially less onerous for the Obligors, the Obligors shall not be permitted to use such projection methodologies for the purposes of the Obligor Transaction Documents unless:

(a) the Obligors notify the Rating Agencies of the proposed changes to such methodologies; and

(b) the Ratings Test is satisfied with respect to the adoption of such changes (a "**Projection Methodologies Confirmation**").

The Transaction LTV Test

If, on any date upon which the T1 Covenant Regime or the T2 Covenant Regime applies, any Obligor proposes to either:

(a) effect a disposal outside of the CGT Group (which shall for these purposes include the crystallisation of a Degrouping Charge) in respect of which the Disposal Tax is in excess of £25,000,000 (subject to Indexation), resulting in the aggregate amount of unpaid Disposal Tax in respect of that and any other such disposals within the Security Group exceeding £50,000,000 (subject to Transaction Indexation); or

(b) enter into a Specified Arrangement where the aggregate unpaid Transaction Tax in respect of that and any other Specified Arrangements previously entered into by member(s) of the Security Group is in excess of £50,000,000 (subject to Transaction Indexation),

then on a date prior to (but not more than 10 Business Days prior to) such disposal being effected or such Specified Arrangement being entered into (each such date being a "**Transaction LTV Calculation Date**") the Principal Obligor will be required to calculate the LTV assuming, for the purposes of such calculation, that the Security Group has borrowed, on the date of such test, an amount (a "**Deemed Tax Borrowing**") equal to the sum of (a) the amount of unpaid Disposal Tax (including, where the transaction that results in the operation of the Transaction LTV Test is a Disposal, the Disposal Tax arising on the relevant Disposal) in excess of £50,000,000 (subject to Transaction Indexation) and (b) the amount of unpaid Transaction Tax (including, where the transaction that results in the operation of the Transaction LTV Test is a Specified Arrangement, the Transaction Tax relating to the relevant Specified Arrangement) in excess of £50,000,000 (subject to Transaction Indexation), save to the extent that such Disposal Tax or Transaction Tax, as the case may be, is already reserved in a Tax Reserve Account (the LTV so calculated being the "**Transaction LTV**" and such test being the "**Transaction LTV Test**"). In addition, where an Obligor enters into a Specified Arrangement (other than certain Specified Arrangements in respect of which members of the Security Group are subject to an obligation to fund a cash reserve under certain provisions contained in the Tax Deed of Covenant which apply at a time when a T3 Covenant Regime applies to the Security Group) that has a term of more than one year, it will be required to run the Transaction LTV Test at the beginning of each Financial Year with respect to such Specified Arrangement as though such Specified Arrangement is a transaction which that Obligor proposes to enter into at that time. If the Transaction LTV breaches the T2 Threshold on such Transaction LTV Calculation Date, the Obligors will be required, in accordance with the Tax Deed of Covenant, to deposit into the General Tax Reserve Account an amount equal to the lesser of (A) (i) in the case of a Specified Arrangement, the amount of Transaction Tax relating to that transaction or (ii) in the case of a Disposal, the amount of Disposal Tax arising in respect of that Disposal and (B) the minimum amount that, if deducted from the Deemed Tax Borrowings, would cause the Transaction LTV to comply with the T2 Threshold if the Transaction LTV were recalculated immediately after the making of such deposit.

Calculation Certificates

The Obligors are required to provide the Obligor Security Trustee and the Rating Agencies with a certificate (a "**Calculation Certificate**") in substantially the form set out in the Common Terms Agreement:

(a) within 90 days of each Scheduled Calculation Date;

(b) in the case of an Additional Calculation Date, no later than the Business Day before the Proposed Completion Date of the relevant Proposed Additional Transaction; and

(c) on each Optional Calculation Date and Transaction LTV Calculation Date.

The company is required to procure that each such Calculation Certificate be delivered to the Representative in relation to the relevant Existing ACF Agreement or Further ACF Agreement on the same day.

Each Calculation Certificate shall, among other things:

(a) be signed by two Authorised Signatories;

(b) include the results of any computations of the loan to value, projected interest cover and historical interest cover ratios performed pursuant to each of the Calculation Tests performed on or as of that Calculation Date (as the case may be) provided that each such Calculation Certificate (other than any Calculation Certificate delivered to the Obligor Security Trustee and the Rating Agencies) shall have the paragraphs setting out Projected ICR and Additional Projected ICR deleted therefrom but will instead specify those Tier Thresholds which have been breached and those which have not been breached by such Projected ICR and such Additional Projected ICR, as the case may be;

(c) if such Calculation Certificate is delivered in respect of a Scheduled Calculation Date falling on the last day of a Financial Half-Year, include reasonable details (as agreed with the Obligor Security Trustee) of the LTV (and the constituent parts thereof) and Historical ICR calculated as of that date;

(d) include the results of any P1 Headroom Test and P2 Headroom Test performed as of that Calculation Date; and

(e) include the results of any Development Test (and the constituent parts thereof) conducted as of that Calculation Date.

Changes in Applicable Accounting Principles

The Obligors have covenanted that any calculation or determination of the loan to value ratios and the interest coverage ratios by the Security Group under the Common Terms Agreement will be prepared, calculated or determined in accordance with:

(a) generally accepted accounting principles in the United Kingdom (as applied by the Obligors as of the Exchange Date); or

(b) if the Obligors decide to adopt other accounting principles or change any one of them (including but not limited to the implementation of International Accounting Standards and International Financial Reporting Standards as then applied) and the Obligors elect (in a notice in writing to the Obligor Security Trustee and the Rating Agencies) to adopt such principles (the "**Proposed Accounting Principles**") for the purpose of determining the loan to value and interest coverage ratios under the Obligor Transaction Documents, then, save as provided below, such Proposed Accounting Principles,

(whichever is applicable, the "**Applicable Accounting Principles**").

Notwithstanding the foregoing:

(a) if (in the opinion of the Principal Obligor, acting reasonably) the adoption of any Proposed Accounting Principles (when considered together with any other changes in the Applicable Accounting Principles since the later of the Exchange Date and the most recent Accounting Principles Confirmation, as defined below) would result in a material alteration of the commercial effect of the Financial Covenant, the Headroom Tests or the Tier Thresholds (or any other test, representation, warranty or covenant in the Obligor Transaction Documents which relies upon, incorporates or includes a loan to value and/or interest coverage ratio) so as to make any of the foregoing materially less onerous for the Obligors, the Obligors will not be permitted to adopt such Proposed Accounting Principles for the purposes of any calculation or determination of the loan to value ratios and the interest coverage ratios under the Obligor Transaction Documents unless and until the Principal Obligor:

(i) proposes to the Rating Agencies changes to, among other things, the threshold levels of, or component parts of the definitions of, such loan to value and/or interest coverage ratios; and

(ii) confirms (by notice to the Obligor Security Trustee) that the proposed changes referred to in sub-paragraph (i) above have been approved as a Rating Affirmed Matter (the "**Accounting Principles Confirmation**"); and

(b) the Applicable Accounting Principles will not be applied in calculating (i) Financial Indebtedness and Security Group Net Debt Outstanding, save where specifically stated in respect of any component part of the definitions thereof or (ii) any element of the interest cover ratios in respect of which it is stated that the Applicable Accounting Principles do not apply or that the relevant computation shall be made on another specified basis.

If, as a result of the foregoing, the Obligors are required as of any Scheduled Calculation Date to calculate the Historical ICR in respect of a 12-month period using one set of Applicable Accounting Principles and, as of a previous Scheduled Calculation Date, the Obligors calculated the Projected ICR in respect of that same period using a different set of Applicable Accounting Principles, then the Obligors will be required to include a reconciliation of the two calculations in the Calculation Certificate required to be delivered in respect of that Scheduled Calculation Date, so that either (i) the Historical ICR is recalculated using the earlier set of Applicable Accounting Principles to facilitate comparison with the Projected ICR for the relevant period or (ii) the Projected ICR for the relevant period is recalculated using the current set of Applicable Accounting Principles so as to facilitate comparison with the Historical ICR for such period. If the Obligors have conducted the reconciliation referred to in (i) above, the Historical ICR so calculated will be deemed to be the Historical ICR for such period for the purposes of determining whether a Historical ICR Event has occurred; alternatively if the Obligors have conducted the reconciliation referred to in (ii) above, the Projected ICR so calculated will be deemed to be the Projected ICR for such period for the purposes of determining whether a Historical ICR Event has occurred (see "— *Tier Thresholds*", page 134, below).

Currency Conversion Rates and Unhedged Sterling Interest Charges

Whenever the Obligors are required to calculate the loan to value ratios and the interest coverage ratios under the Obligor Transaction Documents, the following conversion rates shall be used to convert non-sterling amounts into sterling:

(a) Security Group Net Debt Outstanding: any Financial Indebtedness that is hedged against fluctuations in the rate of exchange between sterling and the relevant currency shall be converted at the weighted average of the relevant rates agreed in the relevant Swap Transactions (such weighting to be by reference to the notional amounts employed in the relevant Swap Transactions); otherwise, the then applicable spot rate for the purchase of sterling, as quoted by the Account Bank, will be applied;

(b) Total Collateral Value: if any Market Value for a Mortgaged Property has been calculated in a currency other than sterling, that value shall be converted into sterling at the rate implicit in any asset translation hedge entered into in relation thereto or, if none, the spot rate for the purchase of sterling quoted by the Account Bank; and

(c) Historical EBITDA and Historical Interest Charges: the applicable rate for non-sterling income and interest charges will be that used in the Security Group's profit and loss account for the relevant Historical Calculation Period or, if none, the rate that would have been used in preparing the Security Group's profit and loss account in accordance with its accounting policies had one been prepared for the relevant Historical Calculation Period.

Determining the Applicable Covenant Regime

Under the Common Terms Agreement, all Obligor Secured Creditors (irrespective of their ranking in terms of priority in point of security) have, at any point in time, the benefit of the same set of covenants granted by the Security Group.

The Tier 1 Covenant Regime applies until any change becomes effective as described below. At the Tier Test Calculation Date of 31 March 2022 (a "**Scheduled Calculation Date**") the LTV was 36.4% (based on the Valuation of the Estate (including any FCAs) as at 31 March 2022).

The Covenant Regime that applies at any time will be determined by the outcome of the Tier Tests or the Additional Tier Tests (as the case may be) but will take effect (and accordingly any change will take effect) on the Tier Determination Date for such Tier Tests or, as the case may be, on the next Additional Tier Determination Date for such Additional Tier Tests.

For these purposes:

"**Tier Determination Date**" in respect of the Tier Tests means the date upon which such tests are conducted (being no later than the latest date on or by which the Calculation Certificate in respect of such tests is required to be delivered); and

"**Additional Tier Determination Date**" in respect of the Additional Tier Tests conducted in respect of any Proposed Additional Transaction means:

(a) if such Additional Tier Tests will result in a more restrictive Covenant Regime applying, the date immediately before the relevant Proposed Completion Date; or

(b) if such Additional Tier Tests will result in the same or a less restrictive Covenant Regime applying, the date upon which all elements of such transaction are completed.

The Covenant Regime that will apply as from a Tier Determination Date or an Additional Tier Determination Date will be determined by whether certain ratio thresholds are breached, as demonstrated by the Tier Tests or Additional Tier Tests.

The relevant Tier Thresholds are the T1 Thresholds, the T2 Thresholds and the Initial T3 Thresholds, in each case set out in the table below.

Tier Thresholds

TIER THRESHOLD	**LTV AND ADDITIONAL LTV**	**HISTORICAL ICR, PRO FORMA HISTORICAL ICR, PROJECTED ICR AND ADDITIONAL PROJECTED ICR**
T1 Threshold	≤ 55%[1]	≥ 1.85:1
T2 Threshold	≤ 65%[2]	≥ 1.45:1
Initial T3 Threshold	≤ 80%	≥ 1.20:1

Notes:

1 *50% if the relevant Calculation Date falls within a Change of Control Period*

2 *60% if the relevant Calculation Date falls within a Change of Control Period and, earlier in that Change of Control Period, LTV was less than 60%*

Save as provided below, (a) if no Tier Threshold is breached, the T1 Covenant Regime will apply; (b) if any of the T1 Thresholds are breached (but none of the T2 Thresholds are breached), the T2 Covenant Regime will apply; (c) if any of the T2 Thresholds are breached (but none of the Initial T3 Thresholds are breached), the Initial T3 Covenant Regime will apply; and (d) if any of the Initial T3 Thresholds are breached, the Final T3 Covenant Regime will apply.

The Obligors will only be required to calculate the Historical ICR as of each Scheduled Calculation Date falling on and after the first anniversary of the Exchange Date. The Obligors may also elect to calculate the Historical ICR on any Optional Calculation Date and/or the Pro Forma Historical ICR on any Additional Calculation Date.

The Historical ICR calculated as of any Scheduled Calculation Date will be disregarded for the purpose of determining the applicable Covenant Regime unless a Historical ICR Event is continuing. A "**Historical ICR Event**" will occur as of any Scheduled Calculation Date if:

(a) the Historical ICR calculated as of that date falls below any Tier Threshold and the Projected ICR calculated in respect of the same Calculation Period equalled or exceeded that same Tier Threshold; and

(b) the Historical ICR calculated as of the immediately preceding Scheduled Calculation Date fell below any Tier Threshold and the Projected ICR calculated in respect of the same Calculation Period equalled or exceeded that same Tier Threshold,

and such event will continue until the first Scheduled Calculation Date as of which the circumstance described in paragraph (a) above does not occur.

If the Historical ICR calculated as of any Scheduled Calculation Date falls below the T1 Threshold, and it is not disregarded as described above, the T1 Covenant Regime will not be capable of applying until the first Tier Determination Date or Additional Tier Determination Date in respect of a Calculation Date as of which:

(a) the Projected ICR equals or exceeds the T1 Threshold and the LTV is equal to or less than the T1 Threshold, provided that a Historical ICR Event is not continuing as of that Calculation Date; or

(b) the Historical ICR or the Pro Forma Historical ICR equals or exceeds the T1 Threshold.

The same principle will apply, *mutatis mutandis*, if the Historical ICR breaches the T2 Threshold or the Initial T3 Threshold as of any Scheduled Calculation Date.

The first Historical Calculation Period shall end on the first Scheduled Calculation Date falling on or after the first anniversary of the Exchange Date.

Applicable Covenants

For so long as the T1 Covenant Regime applies, the Obligors will be required to comply with the T1 Covenants only.

For so long as the T2 Covenant Regime applies, the Obligors will be required to comply with the T1 Covenants (save to the extent supplemented and/or explicitly modified by the T2 Covenants) and the T2 Covenants only.

For so long as the Initial T3 Covenant Regime applies, the Obligors will be required to comply with the T1 Covenants and the T2 Covenants (save to the extent that any of the foregoing are supplemented and/ or explicitly modified by the Initial T3 Covenants) and the Initial T3 Covenants only.

For so long as the Final T3 Covenant Regime applies, the Obligors will be required to comply with the T1 Covenants, the T2 Covenants and the Initial T3 Covenants (save to the extent that any of the foregoing are supplemented and/or explicitly modified by the Final T3 Covenants) and the Final T3 Covenants.

Covenants set out in the Common Terms Agreement which are not specifically referred to as T1 Covenants, T2 Covenants, Initial T3 Covenants or Final T3 Covenants (or specifically stated to apply only while one or more Covenant Regimes apply) will be treated as T1 Covenants.

Summary of the Different Covenants Applying in Different Covenant Regimes

	T1 COVENANT REGIME	**T2 COVENANT REGIME**	**INITIAL T3 COVENANT REGIME**	**FINAL T3 COVENANT REGIME**
Financial Covenant	✓	✓	✓	✓
Sector Diversity	✓	✓	✓	✓
Geographic Diversity	✓	✓	✓	✓
Tenant Concentration	✓	✓	✓	✓
Property Management	✓	✓	✓	✓
Leasing	✓	✓	✓	✓
Development	✓	✓	✓	✓
Disposals	✓	✓	✓	✓
Covenants regarding the provision of Financial Information	✓	✓	✓	✓
Additional Positive Covenants of the Security Group	✓	✓	✓	✓
Additional Negative Covenants of the Security Group	✓	✓	✓	✓
Application of Sales Proceeds	✓	✓	✓	✓
Liquidity Facilities to be available	–	✓	✓	✓
Lease Surrenders	–	–	✓	✓
Appointment of Property Manager	–	–	✓	✓
Additional Payment Requirements on cessation of Common Control	–	–	✓	✓
Restricted Application of Sales Proceeds and Insurance Proceeds	–	–	✓	✓
Amortisation of Non-Contingent Loans	–	–	✓	✓
Additional restrictions on Restricted Payments	–	–	–	✓
Application of Sales Proceeds and (if not needed to reinstate) Insurance Proceeds to debt pay-down	–	–	–	✓

T1 Covenants

The T1 Covenants include those covenants set out below.

Financial Covenant

Under the terms of the Common Terms Agreement, each Obligor covenants with the Obligor Security Trustee that:

(a) as at no Tier Test Calculation Date or Additional Calculation Date shall:

(i) the LTV exceed 100%; or

(ii) the Projected ICR be less than 1.00:1; and

(b) as at no Calculation Date as of which the Historical ICR is calculated shall the Historical ICR be less than 1.00:1 in respect of both of the two most recent Historical Calculation Periods.

Property Covenants

Sector diversity – positive covenant: The Obligors shall ensure that, at all times, the entire Estate is allocated to Sectors by reference to Market Value on the following basis:

(a) in the case of a single use Mortgaged Property, the whole of the Market Value thereof is allocated to the relevant Sector;

(b) in the case of a mixed use Mortgaged Property, the Market Value attributable to each use is allocated to the Sector to which it is attributable (provided that the sum of the Market Values allocated to each use is equal to the Market Value of such Mortgaged Property) and that, in order to facilitate compliance with this covenant, the relevant Valuation Reports contain the requisite information to enable such allocations to be made; and

(c) the allocation of particular uses to specific Sectors will follow the methodology adopted from time to time in the most recently published reports and accounts of Land Securities Group PLC or (if Land Securities Group PLC is no longer the parent company of the Security Group), of the Security Group for making such allocation or, at any time after notification as to the proportions of the Estate by Market Value attributable to each Sector in the first Investor Report, by reference to such other method as the Obligors determine, provided that it is to apply to the Estate as a whole and is a method which is generally acceptable to institutional property investors in the United Kingdom.

Sector diversity – negative covenant: No Obligor will conduct any Dealing that would cause the percentage of the Total Collateral Value attributable to any one Sector to exceed (or further exceed) the percentage of Total Collateral Value set out for such Sector in the table below (the "**Sector Concentration Limit**" for such Sector) (provided that the Obligors will not be in breach of this covenant if any Sector Concentration Limit is exceeded or further exceeded other than as a result of any Dealing by the Obligors):

SECTOR	MAXIMUM PERCENTAGE OF TOTAL COLLATERAL VALUE
Office Sector	85%
Shopping Centres and Shops Sector	100%
Retail Warehouses Sector	55%
Industrial Sector	20%
Residential Sector	20%
Leisure and Hotels Sector	25%
Other Sector	15%

Geographic diversity – negative covenant: No Obligor will conduct any Dealing that would cause the percentage of the Total Collateral Value attributable to any Region to exceed (or further exceed) the percentage of Total Collateral Value set out for such Region in the table below (the "**Geographic Concentration Limit**" for such Region) (provided that the Obligors will not be in breach of this covenant if any Geographic Concentration Limit is exceeded or further exceeded for reasons other than as a result of any Dealing by the Obligors):

REGION	MAXIMUM PERCENTAGE OF TOTAL COLLATERAL VALUE
London	100%
Rest of South East and Eastern	70%
Midlands	40%
Wales and South West	40%
North	40%
Scotland and Northern Ireland	40%
Non-UK	5%

Tenant concentration limit: No Obligor is permitted, at any time, to conduct any Dealing that would result in the aggregate Passing Rent at the date of the proposed Dealing in respect of any Single Tenant (other than Government Tenants and tenants who have, or whose obligations under the relevant Leasing Agreement are guaranteed by an entity which has, an actual or shadow/private corporate rating of AA or higher from S&P or Fitch or Aa2 or higher from Moody's, whichever are Rating Agencies at the relevant time, or, in each case, the short-term equivalent of such rating if the basis of such ratings changes in the future) to exceed (or further exceed) 15% of the aggregate Passing Rent in respect of the entire Estate (assuming for this purpose completion of the Dealing) at that date (the "**Tenant Concentration Limit**") and for this purpose "**Single Tenant**" means any one tenant or any group of tenants who are affiliates of each other. Two persons will be affiliates of each other for the purposes of the Tenant Concentration Limit if (a) one such person is a direct or indirect subsidiary or subsidiary undertaking of the other person, or (b) one such person expressly and unconditionally guarantees the obligations of the other person under the relevant Leasing Agreement, or (c) both such persons are direct or indirect subsidiaries or subsidiary undertakings of a third person or (d) the obligations of both such persons under the relevant Leasing Agreements are expressly and unconditionally guaranteed by the same third person.

Dealings permitted while Concentration Limit exceeded: Subject to the foregoing restrictions, if and for so long as one or more of the Concentration Limits is exceeded, the Obligors will only be permitted to conduct the following Dealings:

(a) any Dealing which (A) causes one or more of such Concentration Limits to be exceeded no longer and/or (B) reduces (or does not further increase) the extent by which one or more of such Concentration Limits are exceeded; and/or

(b) any Disposal in respect of which the Net Sales Proceeds exceed the Allocated Debt Amount for the relevant Mortgaged Property, provided that such Net Sales Proceeds are applied in Prepayment of Secured Financial Indebtedness in accordance with the Common Terms Agreement within six months of such Disposal; and/or

(c) any Dealing (not being an Acquisition or Disposal) which the Principal Obligor's directors in good faith believe will increase the Market Value of the Mortgaged Property in question,

provided that this paragraph (c) will not apply to the granting of Leasing Agreements, and that would increase the extent to which the Tenant Concentration Limit is being exceeded; and/or

(d) any Disposals or Acquisitions of properties having a Market Value in each case of no more than £5,000,000 (subject to RPI Indexation) and in aggregate of no more than £50,000,000 (subject to RPI Indexation),

provided that, for the purposes of paragraph (a) above, "**Dealing**" includes all Dealings which are completed within the same 15-day period.

Property management: The Obligors shall ensure that, at all times, they act in accordance with the standard that a prudent landlord would apply having regard to the type and location of each Obligor Property in question or the Obligor Properties as a whole and in accordance with the principles of good estate management.

Leasing: Subject to any lawful obligation to enter into a Leasing Agreement pursuant to and in accordance with the Landlord and Tenant Act 1954 (as amended), every Leasing Agreement to be entered into on or after the Exchange Date will, save in relation to Minor Occupational Agreements and save as referred to below, be required to comply with the following letting criteria (the "**Letting Criteria**"):

(a) rent reviews: rent reviews or other rent recalculation provisions in Leasing Agreements shall be appropriate having regard to the range of provisions used in market practice prevailing at the time of negotiation of such Leasing Agreement having regard to the size and nature of the letting in question;

(b) repair obligations: full internal and external repairing obligations (to the extent of the demised premises) shall be imposed on the lessee, except to the extent that the lessor is responsible for repair and the cost to the lessor of so doing is recoverable from the lessee pursuant to arrangements referred to in paragraph (c) below (whether such cost is recovered as a separate service charge or is included in the principal rent);

(c) costs contribution: the lessee shall have an obligation to make an appropriate contribution to building and any estate service charge costs, except and to the extent that there is a full internal or full internal and external repairing obligation (depending on the extent of the demised premises) or where and to the extent that the principal rent includes payment for services provided by the lessor;

(d) insurance contribution: the lessee (unless it is a lessee in respect of a Qualifying Self-Insured Mortgaged Property) shall be required to bear an appropriate proportion of the cost of effecting building and loss of rent insurances (either as a separately reserved rent or on a basis whereby the cost of such insurances is included in the principal rent or service charge) on terms no less beneficial to the insured than the insurances described in "— *Insurance*", page 142, below or to have the liability to insure itself on such terms;

(e) assignment: assignment of the whole of the demised premises shall only be permitted with the lessor's consent, and it may be stipulated that such consent is not to be unreasonably withheld or delayed;

(f) assignment of part of premises: no assignment of part of the demised premises shall be permitted;

(g) lessee alterations: appropriate controls shall be imposed by the lessor in relation to lessee alterations to the demised premises; and

(h) arm's length leases: all Leasing Agreements shall be on an arm's length basis.

If the directors of the Principal Obligor determine that such would be in accordance with the property management covenant described above, the Security Group may in relation to any Leasing Agreement depart from the Letting Criteria.

Development: Any Development, and any demolition of an existing building on any Obligor Property, will be required to be carried out in compliance with the following criteria:

(a) appropriate construction-related liability and material damage Insurance Policies will be maintained, applying the standard of a prudent developer in respect of the amount, type, duration of cover, retained risk and levels of deductibles in respect of such policies provided that such insurance is generally available in the global insurance market and that it is market practice among broadly based property investment and development businesses whose assets are primarily located in the United Kingdom to maintain such insurance on the terms then available in the global insurance market;

(b) where appropriate, having regard to the nature of the Obligor Property and the Development and applying the standard of a prudent developer, appropriate levels of environmental due diligence will be carried out and findings therefrom will be taken into account in carrying out the relevant Development; and

(c) reasonable endeavours will be used to procure that the Development is designed and built in a good and workmanlike manner free from deleterious materials (judged by the construction industry standards at the time that materials are specified).

In addition, a building contract in respect of a Development Project will not be entered into by any Obligor at any time unless the Development Test, described immediately below, is satisfied at that time.

The Development Test will be satisfied at any time if:

(a) 120% of the Aggregate Projected Development Cost is less than or equal to the sum of (A) the amount of all committed facilities at such time having a Debt Rank of Subordinated Debt or Unsecured Debt granted to the Obligors in respect of Development Projects (excluding amounts then outstanding thereunder) and (B) the maximum amount of Permitted Drawings having the Debt Rank of Priority 1 Debt or Priority 2 Debt that the Obligors could incur at that time, based on the calculation of LTV or Additional LTV, as

the case may be, as of the latest Calculation Date, as updated to (i) reflect subsequent changes in Security Group Net Debt Outstanding and (ii) include in Total Collateral Value an amount equal to the sum of (1) the aggregate of all costs of development incurred by the Obligors in respect of Development Projects relating to Mortgaged Properties since the date of the most recent Valuation Report for such Development Projects and (2) (for this purpose only) the Aggregate Projected Development Cost insofar as it relates to Mortgaged Properties; and

(b) the aggregate of all committed facilities at such time granted to the Obligors to the extent available for Development Projects (excluding amounts then outstanding thereunder) is equal to or greater than 100% of the actual amount (excluding provisions for contingencies) that the Obligors project to pay in the carrying out of Development Projects over the next 12 months.

Developments in Partnerships and Non-UK Obligors: No Obligor that is incorporated outside England and Wales and Scotland, and no Obligor in partnership (other than a limited liability partnership established under the Limited Liability Partnership Act 2000) with any other person shall commence any Development relating to a Mortgaged Property unless:

(a) the Obligor Security Trustee is provided to its satisfaction with "step-in" rights of the following nature:

the Obligors shall use all reasonable endeavours promptly to procure, in favour of the Obligor Security Trustee or a person nominated by the Obligor Security Trustee, the grant of "step-in" or equivalent rights in respect of the contracts with contractors, professionals and any subcontractors with a material design responsibility in respect of the Project (save for professionals and subcontractors where the building contractor is the employer), in form and substance satisfactory to the Obligor Security Trustee (the "**Step-In Rights**"); or

(b) there is opened in the name of the legal owners of the relevant Mortgaged Property, specifically for this purpose and no other, an account to which there is credited the full estimated cost to final practical completion of the Development in question (consistent with the costs included in the definition of Aggregate Projected Development Costs), as certified by the appointed quantity surveyor (who, in so certifying, acknowledges a duty of care to the Obligor Security Trustee); or

(c) the Obligor Security Trustee is furnished with a legal opinion satisfactory to it (including as to reservations and qualifications) that the Obligor Security that has been granted to it by the relevant Obligor (or partnership of Obligors) is effective to ensure that all contracts related to the Development are capable of being enforced in all material respects by the Obligor Security Trustee in any relevant insolvency proceedings in respect of that Obligor (or partnership).

If an account is opened in accordance with paragraph (b) above, no amount credited thereto will be withdrawn otherwise than for the purpose of funding costs in respect of the Development, and the Obligor Security Trustee's consent will be required for all withdrawals. Consent will be given

if the Principal Obligor provides to the Obligor Security Trustee a certificate of two Authorised Signatories stating:

(i) that no Obligor Event of Default is continuing unwaived; and

(ii) the sum to be withdrawn is due and payable to a contractor or professional in relation to the Development or is in excess of the amount required to reach final practical completion or final practical completion of the Development has occurred.

Disposals – negative covenant: The Obligors will not, at any time, complete any Disposal (and "**Disposal**" shall, for the purposes of this covenant alone, include the release of a Mortgaged Property from the Estate) if such Disposal would cause the aggregate Disposal Threshold Values of all Mortgaged Properties disposed of on or following the Exchange Date to exceed the Disposals Threshold, save that the following Disposals shall be disregarded for this purpose:

(a) all Disposals completed before the most recent Ratings Affirmation;

(b) all Intra-Security Group Disposals;

(c) Disposals in respect of which the lower of the Net Sales Proceeds and the Allocated Debt Amount have been applied to the Actual Prepayment or Buyback of Non-Contingent Loans; and

(d) any Disposal which is approved as a Rating Affirmed Matter,

provided that, for the avoidance of doubt, if the Obligors are not in breach of this covenant when the T1 Covenant Regime applies, and if at any time the Disposals Threshold changes as a result of the T1 Covenant Regime ceasing to apply, such change in the Disposals Threshold will not, in and of itself (that is to say, without any further Disposals by the Obligors), result in a breach of this covenant.

Valuation Reports: The Obligors will be required to:

(a) obtain a Valuation Report on the Estate at the end of each Financial Half-Year and deliver the same to the Obligor Security Trustee and the Rating Agencies on each Reporting Date; and

(b) at the same time provide to the Representatives of the ACF Providers (where required by them pursuant to their ACF Agreement) a summary of such Valuation Report on the Estate in which aggregate valuations for Regions and Sectors are shown.

Insurance: The Obligors will be required to:

(a) maintain valid insurance: maintain or procure that there is maintained valid insurance cover for each Obligor Property (except a Qualifying Self-Insured Property) against:

(i) risk of material damage, for a sum equal to its full reinstatement value (taking into account any deductible or excess that may be reasonable in the circumstances) and loss of rent for a period not less than the greater of (1) two years and (2) such period as may be required pursuant to the relevant leasing agreements in respect of such Obligor Property, resulting (in each case) from subsidence, terrorism and other risks usually covered by a reasonably prudent owner of a portfolio of properties of a similar nature, provided always that in relation to any leasing agreement where the initial term of the leasing agreement does not exceed two years such loss of rent insurance shall be for a period not less than the unexpired term of the leasing agreement in question (the policy under which such cover is obtained being a "**Material Damage Policy**"); and

(ii) third party liabilities and such other property-related risks as in the reasonable opinion of the Obligors ought to be covered, judged by the standard of a reasonably prudent owner and operator of businesses similar to the businesses of the Obligors (the policy under which such cover is obtained being an "**Other Risks Policy**"),

(provided that such insurance is generally available in the global insurance market and that it is market practice among broadly based property investment and development businesses whose assets are primarily located in the United Kingdom to maintain such insurances on the terms then available in the global insurance market) and, if as of any Scheduled Calculation Date the Total Collateral Value is less than £2,000,000,000 and the above-mentioned insurances are underwritten by insurers whose weighted average credit rating (as determined by the Principal Obligor, and based on amounts of premia payable by the Obligors) is less than BBB by (using S&P and Fitch ratings, in each case, if it is a Rating Agency at the relevant time) and Baa2 (using Moody's ratings, if it is a Rating Agency at the relevant time) (in this section, an "**insurance rating breach**"), the Obligors shall ensure (so far as such insurance is commercially available on reasonable commercial terms from insurers whose weighted average credit rating is sufficient to rectify the insurance ratings breach) that such insurance rating breach is rectified not later than the Remedy Date (as defined below);

(b) note interests of Obligor Security Trustee on policies: use their reasonable endeavours to procure, in respect of each such insurance policy, that the interests of the Obligor Security Trustee are endorsed or otherwise noted thereon (for example, by reference to "**chargee**" or other such general interests clause);

(c) application of material damage insurance proceeds: if an Obligor makes a claim under any Material Damage Policy in respect of a Mortgaged Property, upon receipt of the proceeds from such insurance policy:

(i) subject to any obligations under the relevant Obligor's leasehold interest in the Mortgaged Property, any Leasing Agreement or any other obligation imposed by law (if any), if the amount of the proceeds exceeds £5,000,000 (subject to RPI Indexation) deposit that portion of such proceeds relating to reinstatement value into the Disposal Proceeds Account (see "– Disposal Proceeds Account", page 120, below); and

(ii) it will deposit that portion of such proceeds relating to loss of rent (whatever the amount) into the Income Replacement Account;

(d) application of other insurance proceeds: apply proceeds received by them pursuant to a claim on an Other Risks Policy (net of any Tax due on or in respect of the receipt of such proceeds) in or towards the relevant insured liability.

For the purposes of paragraph (a) above, the "**Remedy Date**" means the next renewal date for that insurance policy in respect of the Obligor Properties or any of them which is issued by a Relevant Insurer (as defined below) that last falls due for renewal (as between all such policies issued by Relevant Insurers) by reference to the relevant Scheduled Calculation Date referred to in paragraph (a) above. For the purposes of the above, "**Relevant Insurer**" means an insurer that has a rating which is lower than the weighted average credit rating which is referred to in paragraph (a) above at the date of the insurance rating breach.

Involuntary loss of property: The Obligors will notify the Obligor Security Trustee immediately if the whole or any material part of any Mortgaged Property having a Market Value of greater than £1,000,000 (subject to RPI Indexation) is seized, expropriated or compulsorily acquired or purchased, or the applicable local authority makes an order for the compulsory purchase of the same.

Covenants affecting Obligor Properties: The Obligors will use all reasonable endeavours to comply with and perform all restrictive and other covenants, undertakings, stipulations and obligations now or at any time affecting any Obligor Properties insofar as the same are subsisting and are capable of being enforced and to the extent that any non-compliance or non-performance would have a Material Adverse Effect.

Environmental laws: The Obligors are required to:

(a) comply with all laws: comply with all Environmental Laws in all respects to the extent that non compliance or failure to do so would reasonably be expected to have a Material Adverse Effect; and

(b) notify Obligor Security Trustee of adverse actions: as soon as reasonably practicable, upon becoming aware of the same, notify the Issuer and the Obligor Security Trustee (with a copy to the Rating Agencies) of:

(i) any Environmental Action which, if it was determined against any Obligor, would reasonably be expected to have a Material Adverse Effect; and

(ii) any circumstance that: (1) will prevent compliance by any Obligor with Environmental Law in the future if any non-compliance would reasonably be expected to have a Material Adverse Effect; or (2) will give rise to any actual liability by any Obligor under current Environmental Law if that liability would reasonably be expected to have a Material Adverse Effect.

Covenants regarding the provision of financial information

Investor Reports: On each Reporting Date, the Obligors will be required to deliver to the Obligor Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent, the Representatives of the ACF Providers, the Swap Counterparties and, upon written request (via the Paying Agents), any Noteholder, an Investor Report comprising the following information in respect of the Security Group:

(a) a confirmation that both the most recently prepared annual audited and semi-annual unaudited consolidated (or, as the case may be, pro forma consolidated) financial statements of the Security Group delivered in accordance with the provisions described in "— *Annual audited financials*", page 146, or "— *Semi-annual unaudited financials*", page 146, below were prepared in accordance with the requirements of the Common Terms Agreement (it being recognised that the Security Group will not prepare any consolidated financial statements in respect of any period ending before 31 March 2005);

(b) copies of each Calculation Certificate prepared by the Obligors since the previous Reporting Date (or, in the case of the first Reporting Date, since the Exchange Date) provided that each such Calculation Certificate (other than the Calculation Certificate delivered to the Obligor Security Trustee and the Rating Agencies) shall have the paragraphs setting out Projected ICR and Additional Projected ICR deleted therefrom but will instead specify those Tier Thresholds which have been breached and those which have not been breached by such Projected ICR and such Additional Projected ICR, as the case may be;

(c) whether the Security Group is subject to the T1 Covenant Regime, the T2 Covenant Regime, the Initial T3 Covenant Regime or the Final T3 Covenant Regime as at that Reporting Date;

(d) the amounts available for drawing and the amounts already drawn by FinCo from the Liquidity Ledger and/or under any Liquidity Facility Agreement (if applicable) as at that Reporting Date;

(e) the aggregate Market Value of all Mortgaged Properties and FCAs introduced into or removed from the Estate since the date of the immediately preceding Reporting Date (or, in the case of the first Reporting Date, since the Exchange Date) and the effect of such Dealings on the Concentration Limits;

(f) whether or not any Obligor Event of Default, P1 Trigger Event or P2 Trigger Event (which has not been previously notified to the Obligor Security Trustee) has occurred and is continuing unwaived as at that Reporting Date, and, if so, a description thereof and the action taken or proposed to be taken to remedy it;

(g) as at that Reporting Date, the proportion of the Total Collateral Value that is attributable to each Sector and located in each Region and the extent to which the aggregate Disposal Threshold Values have reached or are approaching the Disposals Threshold; and

(h) the extent to which ownership (in whole or in part) of any Obligor has been transferred from within the Security Group to any person outside the Security Group since the date of the immediately preceding Investor Report,

except to the extent that disclosure of such information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Security Group or its parent is subject (as certified by two Authorised Signatories to the Obligor Security Trustee).

Annual audited financials: As soon as the same become available, but in any event within 180 days after the end of each of its Financial Years (subject to, for so long as Land Securities Group PLC or any other company the shares of which are listed on a stock exchange is the parent of any member of the Security Group, any extension of time granted to Land Securities Group PLC or such other entity by the Financial Conduct Authority, or such stock exchange, for the announcement of the preliminary results of Land Securities Group PLC or such other entity, provided that such extension is certified to the Obligor Security Trustee by two Authorised Signatories), the Obligors will be required to provide to the Obligor Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent, the Representatives of the ACF Providers, the Swap Counterparties and, upon written request (via the Paying Agents), any Noteholder the annual audited consolidated financial statements of the Security Group; provided that if the Security Group is at any time no longer a group in respect of which a statutory consolidation is required to be prepared, the Obligors shall instead be required to provide, as mentioned above, pro forma audited, consolidated financial statements for the Security Group for each relevant Financial Year and related auditors' report.

Semi-annual unaudited financials: As soon as the same become available, but in any event within 90 days after the end of the first Financial Half-Year in each Financial Year, the Obligors will be required to provide the unaudited semi-annual consolidated financial statements of the Security Group for such Financial Half-Year to the Obligor Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent, the Representatives of the ACF Providers, the Swap Counterparties and, upon written request (via the Paying Agents), any Noteholder; provided that, if the Security Group is or was not at any time a group in respect of which a statutory consolidation is required to be prepared, the Obligors shall instead be required to provide, as mentioned above, pro forma unaudited consolidated financial statements for the Security Group for each relevant first Financial Half-Year.

Basis of preparation: The annual and semi-annual financial statements referred to above shall be prepared in accordance with generally accepted accounting principles in the United Kingdom from time to time. If such generally accepted accounting principles change, the Obligors will, together with the next required annual audited financial statements or, as the case may be, next semi-annual unaudited financial statements referred to above, deliver a statement as to the effects of the change (if not already taken into account in prior year adjustments) and a reconciliation as between the financial statements (excluding the notes to such financial statements) so delivered and those that would have been delivered had there been no change.

Compliance Certificates: Additionally, the information delivered to the Obligor Security Trustee, Note Trustee and the Rating Agencies in respect of each Financial Year and Financial Half-Year will include a compliance certificate signed by two directors of the Principal Obligor confirming:

(a) the amount of Security Group Net Debt Outstanding as at the end of the relevant Financial Year or, as the case may be, the relevant Financial Half-Year; and

(b) as at the date thereof, whether or not any Obligor Event of Default, Potential Obligor Event of Default (which, in either case, has not been previously notified to the Obligor Security Trustee), P1 Trigger Event or P2 Trigger Event has occurred and is continuing unwaived and, if so, a description thereof and the action taken or proposed to be taken to remedy it,

except to the extent that disclosure of such information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Security Group or its parent is subject (as certified to the Obligor Security Trustee by two Authorised Signatories).

Additional positive covenants of the Obligors

Under the terms of the Common Terms Agreement, each Obligor covenants that (among other things) it shall:

(a) *maintain licences*: comply with the terms of, renew as soon as reasonably practicable from time to time and do all that is reasonably necessary (taking into account the benefit and expense) to maintain in full force and effect in all material respects authorisations, approvals, licences, consents and exemptions required under or by any applicable law or regulation to own its property and assets where the failure to do so would reasonably be expected to have a Material Adverse Effect;

(b) *notify of defaults*: promptly upon becoming aware of the occurrence of any Obligor Event of Default, Potential Obligor Event of Default, P1 Trigger Event or P2 Trigger Event, inform the Note Trustee and the Obligor Security Trustee;

(c) *arm's length contracts*: without prejudice to the ability of the Obligors to depart from the Letting Criteria as described in "— *Leasing*", page 139, above, use all reasonable endeavours to ensure that any contracts to be entered into by any Obligor after the Exchange Date are made on arm's length terms and do not contain any restriction on charging or assigning its right, title, interest and benefit to those contracts to the Obligor Security Trustee provided that the Obligors shall not be in breach of this paragraph (c) if the aggregate of all amounts payable to or by the Obligors under all non-arm's length contracts and contracts containing any of the charging or assignment restrictions referred to above does not exceed (i) £500,000 per annum (subject to RPI Indexation) in respect of contracts entered into with Non-Restricted Group Entities and/or (ii) £1,000,000 per annum (subject to RPI Indexation) in respect of contracts entered into with persons who are not Non-Restricted Group Entities;

(d) *notify Obligor Security Trustee of litigation*: advise the Obligor Security Trustee, as soon as practicable after becoming aware of the same, of the details of (i) any litigation, arbitration, administrative proceeding or governmental or regulatory investigation, proceeding or dispute pending or threatened in writing against any Obligor and (ii) any circumstances which to the actual knowledge and belief of the Obligors are likely to give

rise to any such litigation, arbitration, administrative proceeding or governmental or regulatory investigation, proceeding or dispute which, in each case, would, if so adversely determined, reasonably be expected to have a Material Adverse Effect;

(e) *maintain pari passu ranking*: ensure that at all times the claims of the Obligor Secured Creditors against any Obligor under any of the Obligor Transaction Documents rank at least *pari passu* with the claims of all of its unsecured creditors, save for those claims which are preferred solely by the operation of any bankruptcy, insolvency or liquidation law or other similar law of general application;

(f) *notify the Valuers*: (save as disclosed in relevant Certificates of Title) disclose to the Valuers any material exceptions, reservations, easements, servitudes, burdens, rights (including anything that would reasonably be expected to amount to an absence or deficiency of rights), privileges, covenants, restrictions or encumbrances (including any arising under statute or any statutory power) or any breaches of town and country planning legislation (and any orders, regulations, consents or permissions made or granted under any of the same) or resolutions or proposals for the compulsory acquisition of any of the Mortgaged Properties or any means of access to or egress therefrom of which it is aware, which would (in any such case) reasonably be expected to have a material adverse effect on the Market Value of the Mortgaged Property to which they relate;

(g) *compliance with laws*: ensure that it complies in all respects with all laws to which it may be subject, if failure to comply would materially impair its ability to perform its obligations under the Obligor Transaction Documents; and

(h) *Stakeholder accession*: ensure that any Stakeholder who is not a party to the Security Trust and Intercreditor Deed as from its execution accedes to it in its capacity as Stakeholder in accordance with the terms thereof within 90 days after becoming a Stakeholder.

Additional negative covenants of the Obligors

Covenants applicable to all Obligors: Under the terms of the Common Terms Agreement, each of the Obligors covenants that it shall not, at any time:

(a) *create Encumbrances:* save for Permitted Encumbrances, create (or agree to create) or suffer or permit to subsist any Encumbrance over all or any of its present or future revenues or assets or undertaking (including uncalled share capital);

(b) *carry on extraneous business:* carry on any business other than Permitted Business;

(c) *have employees:* have any employees or become a director of any company other than another Obligor;

(d) *Common Control:* permit any Obligor to cease to be under Common Control except in accordance with the provisions described in "— *Released Obligors*", page 87, above (the "**Common Control Covenant**");

(e) *Restricted Payments with Sales Proceeds:* unless permitted as a Rating Affirmed Matter, make any Restricted Payment with any part of the Sales Proceeds relating to any Disposal or Deemed Disposal unless, immediately following (or in relation to) such Disposal or Deemed Disposal, the Additional Tier Tests required to be carried out in relation to that Disposal or Deemed Disposal demonstrate that there would be no breach of the P1 Headroom Test, the P2 Headroom Test or the Financial Covenant if either (i) the Disposal or Deemed Disposal were to proceed and the intended Restricted Payment were made and funded from such Sales Proceeds to the intended extent or (ii) in addition to the making of the Restricted Payment, Loans were to be Prepaid to a certain extent, in which case the Obligors will be required immediately before making the Restricted Payment to Prepay such Loans to such extent; or

(f) *Other Restricted Payments:* unless permitted by the RPC Exceptions, make any Restricted Payment unless, during the period commencing on the most recent Amortisation Determination Date and ending on the date of a proposed Restricted Payment, the Obligors have Prepaid an amount equal to, in the aggregate, the Minimum Amortisation Amount (if any) in respect of Non-Contingent Loans in accordance with the Mandatory Prepayment Provisions (other than the DPA Prepayment Provision).

Unsecured Debt: Neither FinCo nor any Financial SPV Obligor shall incur any Unsecured Debt at any time.

Purchases of Notes: No Obligor (except an Obligor which is resident in the United Kingdom for tax purposes and which meets certain other criteria set out in the Common Terms Agreement) shall purchase Notes at any time.

Covenants relating to the ownership of SubCo and the Nominees

Each Obligor will ensure that SubCo is at all times directly wholly owned by LPML and that each Nominee is at all times directly wholly owned by SubCo.

T2 Covenants

The T2 Covenants are set out below.

Refinancing of Revolving R1/R2 Loans

FinCo is prohibited from reborrowing Revolving R1/R2 Loans to refinance maturing Revolving R1/R2 Loans, except to the extent permitted as mentioned in "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", page 126 above.

Liquidity Facilities

FinCo will be required to enter into Liquidity Facilities or otherwise comply with the requirements described in "— ***Liquidity Facility Agreements***", page 25, above.

Disposals Threshold

The Obligors will continue to comply with their obligations set out in "— *Disposals – negative covenant*", page 142, above, but on the basis that the Disposals Threshold shall be reduced to 20% of the Market Value of the Estate (for these purposes, as such phrase is defined in the definition of Disposals Threshold – see "Glossary of Defined Terms" beginning on page 308, below).

Initial T3 Covenants

The Initial T3 Covenants are set out below.

Insurance Proceeds

The Obligors will be required, pursuant to the Tax Deed of Covenant, to deposit certain amounts into the Specific Tax Reserve Account in respect of the receipt of certain insurance proceeds.

Disposals and Deemed Disposals

The Obligors will be required to comply with their obligations described in "— *Disposal and Insurance Proceeds*", page 155, below, that arise when the Initial T3 Covenant Regime applies.

Acquisitions

The Obligors shall ensure that if any sums are withdrawn from the Disposal Proceeds Account while the Initial T3 Covenant Regime applies to finance an acquisition of one or more persons or properties, each such person shall be an Eligible Obligor and shall, within five Business Days of such acquisition, become an Additional Obligor in accordance with "— *Additional Obligors*", page 85, above, and any property so acquired (whether directly or through the acquisition of one or more companies) shall be an Eligible Property and shall, within five Business Days of such acquisition, become an Additional Mortgaged Property in accordance with "— *Additional Mortgaged Properties*", page 90, above.

Hedging Covenant

The Obligors will be required to increase the percentage of the Adjusted Principal Amount of Non-Contingent Loans that is hedged against interest rate fluctuations, as described in "— *Swap Agreements and Hedging Covenant*", page 113 above.

Lease Surrenders

No Obligor will be permitted, at any time, to accept any Surrender which (together with other Surrenders accepted since a T3 Covenant Regime most recently began to apply) would result in the Surrender Threshold being exceeded without depositing the Surrender Amount into the Income Replacement Account forthwith upon such Surrender, unless:

(a) such Surrender was accepted because the Occupier has fallen or is, in the reasonable opinion of the relevant Obligor, likely to fall into material default of its obligations under

the relevant Leasing Agreement and the relevant demised premises are to be made available for re-letting;

(b) such Surrender was accepted to allow a Development or demolition of an existing building on a Mortgaged Property to proceed; or

(c) the Obligor has before or at the same time as such Surrender contracted with a new Occupier for a Leasing Agreement which complies with the Letting Criteria and on terms which will reduce the LTV and/or increase the Projected ICR as of the next Scheduled Calculation Date.

Notwithstanding the foregoing, each Obligor shall promptly deposit into the Income Replacement Account all amounts that it receives from any of its tenants in respect of any Surrender.

Property Manager Appointment

If the Projected ICR, Additional Projected ICR or (if a Historical ICR Event is continuing) Historical ICR or Pro Forma Historical ICR is less than 1.25:1 as of any relevant Calculation Date, the Obligors will be required (at their own expense) promptly to appoint a Property Manager (who will have the same duty of care as an administrative receiver and will be required to consider, but not obliged to follow, the views of the directors of the Obligors) from the Approved Property Manager List to:

(a) review the Mortgaged Properties; and

(b) prepare and deliver to the Obligor Security Trustee and the directors of the Principal Obligor, within 60 days of its appointment, a report which recommends such steps as will, in the opinion of the Property Manager, improve the long-term rental levels and the investment value of the Mortgaged Properties including (but not limited to) a proposed letting, disposal and acquisition strategy in respect of the Mortgaged Properties and the Obligors,

provided that the Obligors shall be permitted to terminate the appointment of the Property Manager upon (or following) the first Calculation Date as of which (i) both the Projected ICR and Historical ICR, or (ii) both the Additional Projected ICR and Pro Forma Historical ICR, is at least 1.25:1.

The Obligors and the directors of the Obligors shall not be required to take into account or follow the recommendations of the Property Manager.

For the avoidance of doubt, references in this Base Prospectus to the Property Manager's rights and activities shall only be relevant for so long as it remains appointed as such.

Compliance Certificate

Without prejudice to any other obligation of the Obligors, the Obligors will be required, within two months of each Scheduled Calculation Date (other than a Scheduled Calculation Date falling on

the last day of a Financial Half-Year), to deliver to the Obligor Security Trustee, the Note Trustee and the Rating Agencies a certificate, signed by two directors of the Principal Obligor, which:

(a) specifies whether the Security Group is subject to the Initial T3 Covenant Regime or the Final T3 Covenant Regime; and

(b) specifies whether, as of the date thereof, any Obligor Event of Default, Potential Obligor Event of Default, P1 Trigger Event or P2 Trigger Event has occurred and is continuing unwaived and, if so, provides a description thereof and the action taken or proposed to be taken to remedy it,

except to the extent that disclosure of such information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Security Group or its parent is subject (as certified to the Obligor Security Trustee by two Authorised Signatories).

Final T3 Covenants

The Final T3 Covenants are set out below.

Disposals and Deemed Disposals

The Obligors will be required to comply with their obligations set out in "— *Disposal and Insurance Proceeds*", page 155, below that arise when the Final T3 Covenant Regime applies.

Restricted Payments

No Obligor will be permitted, at any time, to make any Restricted Payment other than:

(a) a Restricted Payment made pursuant to paragraph (a) or paragraph (e) of the Security Group Pre-Enforcement Priority of Payments; or

(b) a payment made solely from the net proceeds of issue of equity and/or the incurrence of Subordinated Debt and/or Unsecured Debt,

and, notwithstanding the foregoing, the Obligors will be prohibited from making any Restricted Payment if there is a continuing breach of the Financial Covenant.

Lease Surrenders

Notwithstanding the Initial T3 Covenant regarding Surrenders, no Obligor shall, at any time, accept any Surrender without crediting the Surrender Amount into the Income Replacement Account forthwith upon such Surrender, unless such Surrender was taken:

(a) because the Occupier had fallen or was, in the reasonable opinion of the relevant Obligor, likely to fall into material default and the relevant demised premises are to be made available for re-letting; or

(b) the Obligor has before or at the same time as the relevant Surrender contracted with a new Occupier for a Leasing Agreement which complies with the Letting Criteria and on terms which will reduce the LTV and/or increase the Projected ICR as of the next Scheduled Calculation Date.

Notwithstanding the foregoing, each Obligor shall promptly deposit into the Income Replacement Account all amounts that it receives from any of its tenants in respect of any Surrender.

Prohibition of certain actions while in breach of Financial Covenant

If a breach of the Financial Covenant is continuing, no Obligor shall:

(a) make any corporate acquisitions or investments in partnerships or joint ventures not recommended by the Property Manager;

(b) make any Restricted Payments; or

(c) effect any Acquisitions or Disposals not recommended by the Property Manager.

Property Manager's recommendations to be followed

The Obligors will be required to follow all of the Property Manager's recommendations in all material respects (as amended, supplemented or withdrawn by the Property Manager from time to time).

Development

The Obligors shall not, for so long as the Final T3 Covenant Regime applies, enter into building contracts in respect of Development Projects the Aggregate Projected Development Costs of which exceed £50,000,000 (subject to Indexation).

Special Provisions Concerning Obligor Accounts

The Obligors opened certain of the following accounts on or before the Exchange Date:

(a) the Collection Account and the Operating Accounts;

(b) the Debt Collateralisation Account;

(c) the Disposal Proceeds Account;

(d) the Income Replacement Account;

(e) the Liquidity Facility Reserve Account;

(f) the General Tax Reserve Account;

(g) the Specific Tax Reserve Account;

(h) the Swap Collateral Accounts;

(i) the Swap Excluded Amounts Account; and

(j) the Development Accounts.

Collection Account and the Operating Accounts

Each Obligor will, unless explicitly required or permitted to do otherwise by the Obligor Transaction Documents, deposit all monies received by it into the Collection Account. Unless an Enforcement Period is continuing or a Loan Acceleration Notice has been served, the Cash Manager shall be entitled to withdraw funds from the Collection Account, and funds (if any) from the Operating Accounts, provided in either case that the Security Group Pre-Enforcement Priority of Payments is observed if there is a Shortfall on the relevant day.

Debt Collateralisation Account

The Debt Collateralisation Account may be credited (i) voluntarily by the Obligors at any time or (ii) in discharge of their obligation to Prepay Non-Contingent Loans (see "— *Prepayment of Non-Contingent Loans*", page 115 et seq., above). All amounts used to Collateralise Loans will be credited to the relevant DCA Ledgers for such Loans.

The Obligor Security Trustee's consent will be required for any withdrawal (which, in the case of any Notes that are deposited in the Debt Collateralisation Account, includes the disposal of Notes) from the Debt Collateralisation Account (unless the withdrawal is in respect of credited interest earned on amounts standing to the credit of such account, which may be transferred to the Collection Account by standing instruction unless an Enforcement Period is continuing or a Loan Acceleration Notice has been served). The Obligor Security Trustee will undertake to consent to such withdrawal within two Business Days of its receipt of a certificate signed by two Authorised Signatories stating that either:

(a) such withdrawal is required to Actually Prepay or Buyback one or more ICL Loans which are Non Contingent Loans or to Actually Prepay one or more ACF Loans which are Non Contingent Loans, in either case in accordance with the provisions described in "— *Prepayment of Non-Contingent Loans*", page 115, above and which, in the case of any Notes that are deposited into the Debt Collateralisation Account, shall include the transfer of those Notes to FinCo and the surrender and cancellation of those Notes by FinCo in accordance with the provisions described in "— *Prepayment of Non-Contingent Loans*", page 115, above; or

(b) all of the following conditions are satisfied:

    (i) either (A) a Tier Determination Date has not yet occurred or (B) the T1 Covenant Regime or the T2 Covenant Regime applies as of each of the two most recent Tier Determination Dates (or, if there has only been one Tier Determination Date, as of that Tier Determination Date);

(ii) no Enforcement Period is continuing and no Obligor Event of Default is continuing unwaived;

(iii) no event is then continuing that would require the Obligors to make any Prepayment in accordance with the Mandatory Prepayment Provisions;

(iv) the withdrawal (which, in the case of any Notes that are deposited in the Debt Collateralisation Account, includes the disposal of Notes) would not cause an event that would (were such event to continue) require the Obligors to make any Prepayment in accordance with the Mandatory Prepayment Provisions (other than the Ratings Event Prepayment Provision); and

(v) the withdrawal (which, in the case of any Notes that are deposited in the Debt Collateralisation Account, includes the disposal of Notes) would not cause a T3 Covenant Regime to apply (were a Tier Test Calculation Date to occur immediately after the relevant withdrawal).

The foregoing is without prejudice to the obligation of the Obligors to conduct the Additional Tier Tests from time to time (see "— *The Additional Tier Tests and Headroom Tests*", page 127, above).

In the case of paragraph (a) above, the withdrawals shall be applied to Actually Prepay or Buyback one or more Non-Contingent Loans in compliance with the Common Terms Agreement which, in the case of any Notes which are deposited into the Debt Collateralisation Account, shall include the transfer of those Notes to FinCo and the surrender and cancellation of those Notes by FinCo in accordance with the provisions described in "— *Prepayment of Non-Contingent Loans*", page 115, above. In the case of paragraph (b) above, the withdrawals (which shall include the proceeds resulting from the withdrawal of Notes deposited into the Debt Collateralisation Account which have been disposed) shall be credited to the Collection Account.

Disposal Proceeds Account

Voluntary Credits: The Obligors may voluntarily make credits to the Disposal Proceeds Account at any time.

Disposal and Insurance Proceeds: The following amounts shall be paid into the Disposal Proceeds Account:

(a) if any Covenant Regime applies:

(i) save as provided below, all Sales Proceeds of any amount; and

(ii) subject to any obligations under the relevant Obligor's leasehold interest in the relevant Mortgaged Property, any relevant Leasing Agreement or any obligation imposed by law, all proceeds of a claim under a Material Damage Policy if the amount of the proceeds exceeds £5,000,000 (subject to Indexation) (other than for loss of rent of any amount, which shall be deposited into the Income Replacement Account), unless, in circumstances where the relevant Obligor is

itself a tenant of the relevant property, it is obliged as tenant to apply the proceeds in any other manner; and

(b) save as provided below, if a T3 Covenant Regime applies at the time of any (A) Disposal for consideration other than wholly in cash, (B) a Deemed Disposal of a Mortgaged Property or (C) release of a Mortgaged Property from the Estate other than pursuant to a Disposal of such Mortgaged Property or of the Obligor which holds such Mortgaged Property for cash consideration to a person outside the Security Group pursuant to a transaction on arm's length terms, the Obligors shall ensure that on the date thereof there is deposited into the Disposal Proceeds Account an amount equal to the lesser of:

(i) the aggregate of the Market Values of the Mortgaged Properties the subject of the Disposal (or held by the Obligor which is the subject of such Disposal), Deemed Disposal or release, as the case may be; and

(ii) the aggregate of the Allocated Debt Amounts for each of such Mortgaged Properties,

unless the relevant non-cash consideration comprises one or more Eligible Properties having an aggregate Market Value at least equal to such lesser amount (as reduced by any cash deposited into the Disposal Proceeds Account in connection with such Disposal) which are reasonably expected by the Principal Obligor to be introduced into the Estate within 10 Business Days of the Disposal in question.

Notwithstanding the foregoing, if both of paragraphs (i) and (b) above purport to apply in respect of the same Disposal, only that paragraph which requires the deposit of a greater amount into the Disposal Proceeds Account shall apply in respect of that Disposal.

With regard to withdrawals of funds standing to the credit of the Disposal Proceeds Account:

(i) *reinstatement costs*: if, pursuant to a relevant Leasing Agreement, insurance policy, the relevant Obligor's leasehold interest in the Mortgaged Property or any other obligation imposed by law, the recipient Obligor is obliged to repair or reinstate damaged property, sums credited to the Disposal Proceeds Account in respect of such damaged property may be withdrawn to repair or reinstate such property;

(ii) *lawful purposes:* subject to paragraph (i) above and to paragraph (iii) below, if (a) the T1 Covenant Regime or T2 Covenant Regime applies and (b) either the Total Collateral Value when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than or equal to £2,000,000,000 or the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was less than or equal to 45%, funds credited to the Disposal Proceeds Account in respect of a Disposal, Deemed Disposal or the proceeds of any Material Damage Policy may be withdrawn for any lawful purpose of FinCo;

(iii) *tax reserves:* if an Obligor is required by the Tax Deed of Covenant to deposit into a Tax Reserve Account by way of transfer from the Disposal Proceeds Account

any amount in respect of Disposal Tax, the amount required to be so deposited shall be promptly withdrawn from the Disposal Proceeds Account and credited to the relevant Tax Reserve Account;

(iv) *surplus:* if:

(A) the Initial T3 Covenant Regime applies; or

(B) either the T1 Covenant Regime or the T2 Covenant Regime applies and (1) the Total Collateral Value when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was less than £2,000,000,000 and (2) the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than 45%,

and Sales Proceeds in respect of a Mortgaged Property or Obligor have been credited to the Disposal Proceeds Account, the Obligors shall (subject to paragraph (iii) above) be entitled to withdraw only an amount equal to the excess (if any) of the Net Sales Proceeds in respect of such Mortgaged Property or Obligor (as the case may be) over the Allocated Debt Amount for such Mortgaged Property or any Mortgaged Property held by any Obligor which is the subject of a Disposal and to apply the same for any lawful purpose of FinCo;

(v) *tax payments:* if Sales Proceeds in respect of a Mortgaged Property have been credited to the Disposals Proceeds Account in respect of a Disposal or Deemed Disposal of a Mortgaged Property, then (subject to paragraph (iii) above) FinCo may withdraw an amount equal to the excess (if any) of the Sale Proceeds in respect of such Mortgaged Property over the Net Sale Proceeds for any lawful purpose of FinCo (including the payment of any tax associated with the Disposal or Deemed Disposal of such Mortgaged Property);

(vi) *reinvestment:* if (1) either (a) the Total Collateral Value when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was less than £2,000,000,000 and the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than 45% (but in either case the Final T3 Covenant Regime does not apply) or (b) the Initial T3 Covenant Regime applies, (2) Sales Proceeds in respect of any Mortgaged Property or Obligor, Deemed Disposal Proceeds or the proceeds of any Material Damage Policy have been credited to the Disposal Proceeds Account in respect of any Mortgaged Property, and (3) less than 12 months have elapsed since the date such funds were so credited, FinCo may (subject to paragraph (iii) above) withdraw all or part of such funds to the extent of the Sales Proceeds in respect of such Mortgaged Property or Obligor (as the case may be), Deemed Disposal Proceeds or proceeds of any Material Damage Policy (as the case may be) so that any member of the Security Group may finance:

(A) development costs in respect of a permitted Development; and/or

(B) a permitted Acquisition; and/or

(C) the Prepayment of Non-Contingent Loans in accordance with paragraph (vii) below;

(vii) *Prepayment:* subject to paragraph (i) above, if either:

(A) Sales Proceeds or Deemed Disposal Proceeds for a Mortgaged Property have been credited to the Disposal Proceeds Account; or

(B) proceeds of a Material Damage Policy have been credited to the Disposal Proceeds Account,

and any part of the Net Sales Proceeds for that Mortgaged Property or such insurance proceeds remains credited to the Disposal Proceeds Account after the expiry of the relevant time period set out below when either (A) a T3 Covenant Regime applies or (B) the Total Collateral Value when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was less than £2,000,000,000 and the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than 45%, then such part will be applied in Prepayment of Non-Contingent Loans in accordance with the provisions described in "*Prepayment of Non-Contingent Loans*", page 115, above, in accordance with the rules described below.

In the case of Sales Proceeds or Deemed Disposal Proceeds:

(a) if (A) the Initial T3 Covenant Regime applies or (B) the Total Collateral Value when last tested pursuant to the Tier Tests or Additional Tier Tests (as the case may be) was less than £2,000,000,000 and the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than 45% (but the Final T3 Covenant Regime does not apply), the Prepayment will be made within two Business Days following the expiry of 12 months from the date the Sales Proceeds were credited to the Disposal Proceeds Account; or

(b) if the Final T3 Covenant Regime applies, the Prepayment will be made within two Business Days following the earlier of:

(i) the date falling 6 months after the date such Sales Proceeds were credited to the Disposal Proceeds Account (if credited while the Final T3 Covenant Regime applied); and

(ii) the date falling 12 months after the date such Sales Proceeds were credited to the Disposal Proceeds Account (if credited at a time when the Final T3 Covenant Regime did not apply).

In the case of proceeds from a Material Damage Policy:

(a) if either (A) the Initial T3 Covenant Regime applies or (B) the Total Collateral Value when last tested pursuant to the Tier Tests or Additional Tier Tests (as the case may be) was

less than £2,000,000,000 and the LTV when last tested pursuant to the Tier Tests or the Additional Tier Tests (as the case may be) was greater than 45% (but the Final T3 Covenant Regime does not apply), the Prepayment will be made within two Business Days following the expiry of 12 months from the date the relevant insurance proceeds were credited to the Disposal Proceeds Account or, if the relevant Obligor is, on such expiry, obliged by a relevant Leasing Agreement or insurance policy to repair or reinstate the relevant Mortgaged Property, such later date (if any) on which such obligation is released; or

(b) if the Final T3 Covenant Regime applies, the Prepayment will be made within two Business Days following the earlier of:

(i) the date falling 6 months after the date such proceeds were credited to the Disposal Proceeds Account (if credited while the Final T3 Covenant Regime applied) (or, if the relevant Obligor is, on such date, obliged by a relevant Leasing Agreement or insurance policy to repair or reinstate the relevant Mortgaged Property, such later date (if any) on which such obligation is released); and

(ii) the date falling 12 months after the date such insurance proceeds were credited to the Disposal Proceeds Account (if credited at a time when the Final T3 Covenant Regime did not apply) (or, if the relevant Obligor is, on such date, obliged by a relevant Leasing Agreement or insurance policy to repair or reinstate the relevant Mortgaged Property, such later date (if any) on which such obligation is released).

Save as provided below, the Obligor Security Trustee's consent will be required for any withdrawal of any sum from the Disposal Proceeds Account. The Obligor Security Trustee will undertake to consent to any withdrawal upon receipt of a certificate of two Authorised Signatories stating:

(A) that such withdrawal is permitted under the terms of the Common Terms Agreement;

(B) the purpose of the withdrawal; and

(C) that (i) no Obligor Event of Default is continuing unwaived or would arise as a result of such withdrawal and (ii) no Enforcement Period is continuing.

Notwithstanding the immediately preceding paragraph, the Obligor Security Trustee's consent will not be required in respect of sums credited as interest earned on the Disposal Proceeds Account, which sums may be transferred to a Collection Account by standing instruction unless an Enforcement Period is continuing or a Loan Acceleration Notice has been served.

Income Replacement Account

Sums standing to the credit of the Income Replacement Account may be withdrawn with the consent of the Obligor Security Trustee.

If the T1 Covenant Regime or the T2 Covenant Regime applies, the Obligor Security Trustee will consent to any proposed withdrawal of any amount (other than an amount standing to the credit of the Liquidity Ledger) from the Income Replacement Account by FinCo upon receipt from FinCo of a certificate, signed by two Authorised Signatories, which states that:

(a) no Obligor Event of Default has occurred and is continuing unwaived; and

(b) such withdrawal would not cause a T3 Covenant Regime to apply were a Tier Test Calculation Date to occur immediately following such withdrawal.

If a T3 Covenant Regime applies (or a T3 Covenant Regime would apply were a Tier Test Calculation Date to occur immediately following any withdrawal of funds standing to the credit of the Income Replacement Account (other than a withdrawal of an amount standing to the credit of the Liquidity Ledger)), and FinCo requests the consent of the Obligor Security Trustee to a withdrawal of funds standing to the credit of the Income Replacement Account (other than an amount standing to the credit of the Liquidity Ledger) in respect of any Surrender, the Obligor Security Trustee will undertake to consent to such proposed withdrawal upon receipt from FinCo of a certificate, signed by two Authorised Signatories, which states that:

(a) no Obligor Event of Default has occurred and is continuing unwaived; and

(b) the monies proposed to be withdrawn from the Income Replacement Account will be paid into a Collection Account either:

    (i) at the times, and in the amounts, that the Rental Income forgone as a result of such Surrender would have been payable to the Security Group had such Surrender not been accepted; or

    (ii) in any other amounts and/or at any other times, provided that such certificate also states that (A) the premises to which such Surrender related have been re-let pursuant to a Leasing Agreement which complies with the Letting Criteria (provided that the payment of rent under the relevant tenancy is scheduled to commence not later than the next Scheduled Calculation Date), (B) the amount proposed to be withdrawn is not greater than the amount deposited into the Income Replacement Account at the time of such Surrender (plus any interest earned thereon) less any amount previously withdrawn therefrom and (C) no Enforcement Period is continuing and no Loan Acceleration Notice has been served.

If FinCo deposits any amount into the Income Replacement Account pursuant to the Mandatory Liquidity Provisions, such amount will be credited to the Liquidity Ledger. Save as provided below, amounts standing to the credit of the Liquidity Ledger may only be used to pay interest on Priority 1 Debt (and amounts, other than amounts in respect of Rental Loans, ranking senior thereto under

the relevant Security Group Priority of Payments). FinCo will be permitted to transfer to a Collection Account amounts standing to the credit of the Liquidity Ledger at any time if and to the extent that the aggregate of amounts standing to the credit of the Liquidity Ledger and the aggregate commitment amount (whether drawn or undrawn) of any Liquidity Facilities exceeds the Required Liquidity Amount at that time.

Liquidity Facility Reserve Account

The proceeds of any standby loan drawn under a Liquidity Facility will be deposited to the relevant Liquidity Facility Reserve Account if a Liquidity Event occurs. Amounts will be withdrawn from, and deposited to, the Liquidity Facility Reserve Account in the same manner as such amounts would be capable of being drawn, and required to be paid (or repaid), from or to the relevant Liquidity Facility Provider.

Tax Reserve Accounts

The consent of the Obligor Security Trustee will be required for any withdrawal from the Tax Reserve Accounts. The Obligor Security Trustee will grant such consent upon receipt of certain certificates as set out in detail in the Tax Deed of Covenant.

Swap Collateral Accounts

Any collateral provided by a Swap Counterparty following its downgrade below the Swap Counterparty Minimum Short Term Ratings or Swap Counterparty Minimum Long Term Ratings (as the case may be) will be credited to a Swap Collateral Account opened at the time such collateral is provided in the name of the Obligor that is party to the relevant Swap Agreement.

Amounts may only be withdrawn from a Swap Collateral Account: (i) to return collateral to the relevant Swap Counterparty in accordance with the terms of the applicable Swap Agreement and collateral arrangements; (ii) in respect of any payment obligation of the relevant Swap Counterparty under the applicable Swap Agreement that is due but remains unpaid after the expiry of the applicable grace period; and (iii) following termination of the applicable Swap Agreement to the extent not required to satisfy any termination payment due to the relevant Swap Counterparty.

Swap Excluded Amount Accounts

All amounts which fall within paragraphs (b) and (c) of the definition of Swap Excluded Amounts received by the Obligors from time to time will be deposited into a Swap Excluded Amount Account. The Obligors will be permitted to withdraw funds from any Swap Excluded Amount Account to pay to the relevant Swap Counterparty amounts owing to such Swap Counterparty in respect of such Swap Excluded Amounts standing to the credit of such account.

Eligible Investments

The Obligors will generally be permitted to acquire Eligible Investments from amounts standing to the credit of the Obligor Accounts, provided that such Eligible Investments are held in a segregated client account on behalf of the Obligors by the Account Bank acting pursuant to the

Account Bank and Cash Management Agreement or by an Eligible Bank acting as custodian pursuant to a custody agreement in a form agreed between the Obligors, the Obligor Security Trustee and the Rating Agencies. Eligible Investments acquired using amounts standing to the credit of any Obligor Account will be treated, for all purposes under the Common Terms Agreement, as being a part of such Obligor Account.

Representations and Warranties of Each Obligor

The representations and warranties of the Obligors provided under the Common Terms Agreement as listed below are provided solely to the Obligor Security Trustee on its own behalf and on behalf of the Obligor Secured Creditors.

Representations and warranties made on Exchange Date and each Reporting Date

The representations and warranties given by each Obligor in the Common Terms Agreement on the Exchange Date and to be repeated at each Reporting Date are the following:

(a) it is a corporation or other legal entity duly established, validly existing and registered under the laws of the jurisdiction in which it is established, capable of being sued in its own right and not subject to any immunity from any proceedings;

(b) it has the power to own its property and assets and to carry on its business and operations as they are being conducted;

(c) it has the power to enter into, perform and discharge its obligations under each of the Obligor Transaction Documents to which it is a party, and has taken all necessary corporate and other action to authorise the execution, delivery and performance of such documents (save only for any such actions as are contemplated to be taken after execution of the Obligor Transaction Documents);

(d) its obligations under each of the Obligor Transaction Documents to which it is a party are legal, valid, binding and enforceable obligations subject to any reservations identified in the legal opinions to be delivered to the Obligor Security Trustee on or before the Exchange Date and it is not aware of any reason why the Obligor Security might not be valid with the priority it is expressed to have in the Obligor Security Documents;

(e) its entry into and performance of its obligations under, and the transactions contemplated by, the Obligor Transaction Documents do not conflict with (i) any other agreement to which it is a party in such a way as to have a Material Adverse Effect, (ii) any law or regulation applicable to it or (iii) its constitutional documents;

(f) all governmental and other consents, approvals, licences and registrations which are necessary for it to conduct the transactions contemplated by the Obligor Transaction Documents to which it is a party have been applied for or obtained;

(g) no event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which has or will have a Material Adverse Effect;

(h) the most recently delivered audited consolidated financial statements (or, where the Security Group does not constitute a group that would require a statutory consolidation, the Security Group's pro forma consolidated accounts) for the Security Group and the report of the Auditors thereon present fairly the state of affairs of the Security Group as of the date at which they were prepared and of the results for the accounting period up to such date;

(i) all documentation and other information in relation to the Mortgaged Properties which it supplied in connection with the preparation of the Certificates of Title was, as at the date at which such documentation and information was stated to be given (to the best of its knowledge, information and belief) true and accurate in all material respects;

(j) (i) all factual information provided by, or on behalf of, such Obligor to the Valuer for the purposes of each Valuation Report on the Estate (and each summary thereof delivered to the Representative of the ACF Providers) and each Intermediate Valuation Report on a Mortgaged Property (in each case as such information may have been amended, varied or supplemented by such Obligor prior to the date of such Valuation Report) was, to the best of its knowledge, information and belief, true and accurate in all material respects on the date of such report and no information was omitted which, if disclosed, would reasonably be expected to have a material and adverse effect on the Market Value of any of the Mortgaged Properties as set out in the relevant Valuation Report(s) and (ii) the summaries referred to above are accurate summaries of the relevant Valuation Reports on the Estate;

(k) all governmental and other consents, approvals, licences and registrations (including but not limited to Environmental Permits) which are necessary for it to conduct its business have been obtained, are in full force and effect and have been complied with in all material respects and it has made all filings, payments of duties or taxes and other approvals and authorisations necessary for it to own its property and assets and conduct its business, which, in each case, if not obtained (or if revoked, terminated or otherwise not in full force and effect), complied with or made, would be reasonably expected to have a Material Adverse Effect;

(l) the claims of the Obligor Secured Creditors against it under any of the Obligor Transaction Documents to which it is a party (or the claims of the Obligor Security Trustee on behalf of the Obligor Secured Creditors thereunder, as the case may be) will rank at least *pari passu* with the claims of all its unsecured creditors, save for those claims that are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws or regulations of general application;

(m) there has been no breach of any term of any Insurance Policy which, so far as it is aware, would entitle the relevant insurer to avoid such policy in its entirety;

(n) save as disclosed in the Title Overview Reports (or Certificates of Title relating to any Additional Mortgaged Properties disclosed to the Valuers), one or more Obligor(s) is/are the absolute legal owners (subject to any pending registrations or recordings at the Land Registry), and such Obligor(s) (or other Obligor(s)) is/are the absolute beneficial owner, of each of the Mortgaged Properties and (save as disclosed in the Title Overview Reports

and/or the Certificates of Title or otherwise disclosed to the Valuers) each Obligor has good and marketable title (but, for the avoidance of doubt, in the case of registered land without implying a particular quality of title), in its own name, to its interests in such Mortgaged Property;

(o) so far as it is aware it is entitled to use all of the Intellectual Property Rights that are used by it in connection with the Obligor Properties from time to time;

(p) save as disclosed in the Environmental Reports or as otherwise disclosed to the Valuers:

(i) it is in compliance with all Environmental Laws in all material respects (in the context of the Obligor Properties as a whole), there are no circumstances known to it that are likely to prevent or interfere with such compliance in the future where such non compliance would reasonably be expected to have a Material Adverse Effect and there are no circumstances known to it that are likely to give rise to any liability under Environmental Law which liability would reasonably be expected to have a Material Adverse Effect;

(ii) it is in all material respects in compliance with the terms of all Environmental Permits necessary for the ownership and operation of its facilities and businesses as presently owned and operated save where in any such case non-compliance with or the lack of any such Environmental Permits would not reasonably be expected to have a Material Adverse Effect; and

(iii) there is no Environmental Action pending or, so far as it is aware, threatened against it and, so far as it is aware, there are no circumstances which are reasonably likely to form the basis of any Environmental Action against it which in any such case would be reasonably expected to have a Material Adverse Effect;

(q) it holds its Board meetings in an Approved Jurisdiction and has no branch or other establishment in any jurisdiction which would operate so as to render applicable with respect to it any insolvency laws of any jurisdiction other than those of an Approved Jurisdiction or those of England and Wales or Scotland; and

(r) if such Obligor holds an Obligor Account, it is beneficially entitled to all funds standing to the credit of such account.

Additional representations and warranties made on Exchange Date

In addition to the representations and warranties above, each Obligor made the following representations and warranties on the Exchange Date (*inter alia*):

(a) the capitalisation and indebtedness statements in respect of the Issuer and FinCo set out in the Offering Circular had been correctly extracted from the relevant accounting records;

(b) save as specifically disclosed in the Common Terms Agreement, no United Kingdom ad valorem stamp duty or stamp duty land tax was payable in relation to the execution,

delivery and performance of any of the documents referred to in paragraphs (a) to (e) (inclusive) and (g), (h) and (j) of the definition of "**Obligor Transaction Documents**" and paragraphs (a) to (h) (inclusive) of the definition of "**Obligor Security Documents**" which in each case were executed on the Exchange Date;

(c) the ownership of its issued and outstanding shares as at the Exchange Date was as described in the diagram "*Corporate Structure of the Landsec Group*", page 60, above;

(d) it was not insolvent or unable to pay its debts (within the meaning of Section 123 of the Insolvency Act 1986) and (to the best of its knowledge, having made all due enquiries) it was not subject to any insolvency, winding-up or similar proceedings;

(e) save as disclosed in the Certificates of Title or the Title Overview Reports or as otherwise disclosed to the Valuers, there were (to the best of its knowledge, information and belief) no material exceptions, reservations, easements, servitudes, burdens, rights, privileges, covenants, restrictions or encumbrances (including any arising under statute or any statutory power) or any breaches of town and country planning legislation (and any orders, regulations, consents or permissions made or granted under any of the same) or resolutions or proposals for the compulsory acquisition of any of the Mortgaged Properties or any means of access to or egress therefrom, which would reasonably be expected to have a material adverse effect on the Market Value of the Mortgaged Property to which they relate;

(f) it did not have any Financial Indebtedness outstanding which it was prohibited from having outstanding under the Common Terms Agreement;

(g) any factual information contained in the Offering Circular was true and accurate in all material respects as at the date of the Offering Circular and, to the best of the knowledge and belief of Land Securities PLC (after having made all due and reasonable enquiries), no information had been omitted from the Offering Circular which would make the Offering Circular untrue or misleading in any material respect as at the date of the Offering Circular; and

(h) except to the extent disclosed in the Offering Circular, no event had occurred since the date of publication of its most recently audited financial statements that would have a Material Adverse Effect.

Additional representations and warranties made on each Reporting Date

In addition to the representations and warranties set out above, each Obligor will make the following representations and warranties on each Reporting Date:

(a) it is not insolvent or unable to pay its debts as they fall due and (to the best of its knowledge) it is not subject to any insolvency, winding-up or similar proceedings; and

(b) since the Exchange Date, there has been no change in its share ownership except as disclosed in the Investor Reports.

Obligor Events of Default and Remedy

Obligor Events of Default

Each of the following is an "**Obligor Event of Default**":

(a) *failure to pay:* the Obligors together fail to pay when due and payable any amount or amounts payable by any Obligor under any Obligor Transaction Document, provided that no Obligor Event of Default shall occur if (A) the due amount(s) are paid in full within 5 Business Days of its/their due date or (B) such amount(s) (if not owed to the Issuer or an ACF Provider or an ACF Representative under an ACF Agreement) is (or are in aggregate) less than £10,000,000 (or its equivalent in other currencies) (subject to Indexation);

(b) *breach of Financial Covenant:* a breach of the Financial Covenant which is not remedied within 60 days of the earlier of:

(i) the date of delivery of the Calculation Certificate in respect of the Calculation Date as of which such covenant was breached; and

(ii) the last day upon which the Obligors are permitted to deliver such certificate under the Common Terms Agreement,

in the manner set out in the section entitled "— *Remedy of Financial Covenant*", page 169, below;

(c) *breach of covenants not to encumber, carry on extraneous business or incur Unsecured Debt:* a breach of any of the covenants referred to in paragraph (a) (create Encumbrances) or (b) (carry on extraneous business) of the subsection entitled "— *Covenants applicable to all Obligors*", page 148, above, or the covenant set out in the subsection entitled "— *Unsecured Debt*", page 149, above, in each case set out in the section entitled "— *Additional negative covenants of the Obligors*", page 148, above), the incurrence of any Financial Indebtedness by the Obligors other than Permitted Financial Indebtedness or a breach of any of the terms referred to in the section headed "— *Intercreditor arrangements*", page 180, below, other than in accordance with the Security Trust and Intercreditor Deed, provided that any such breach is incapable of remedy or is not remedied within a period of 20 Business Days following (A) receipt by the Principal Obligor of notification of such breach from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor became aware of such breach;

(d) *breach of Common Control Covenant:* a breach of the Common Control Covenant unless a certificate is delivered to the Obligor Security Trustee in accordance with the provisions described in "— *Released Obligors*", page 87, above, within a period of 20 Business Days following (A) receipt by the Principal Obligor of notification of such breach from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor became aware of such breach;

(e) *breach of other covenant:* a failure to perform or comply with any covenant that is required to be complied with under the Common Terms Agreement, the Security Trust and Intercreditor Deed, any Obligor Security Document or the Account Bank and Cash Management Agreement (but not specifically mentioned in (b) to (d) inclusive above) where such failure to comply has, or is reasonably expected to have, a Material Adverse Effect, provided that in any case such breach is either incapable of remedy or is not remedied within a period of 60 days following receipt of a notification of breach by the Principal Obligor from the Obligor Security Trustee or (if earlier) the date on which any Obligor becomes aware of that default;

(f) *unable to pay debts:* any Obligor or partnership of Obligors:

(i) admits its inability or is unable to pay its debts as they fall due; or

(ii) suspends the payment of all or a substantial part of its debts or announces an intention to do so;

(g) *winding-up/reorganisation:* any Obligor or partnership of Obligors takes any corporate action, or other steps are taken or legal proceedings are commenced against any Obligor or partnership of Obligors, for its winding-up, dissolution or reorganisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise, other than a solvent reorganisation), provided that it will not be an Obligor Event of Default to the extent that such Obligor or partnership of Obligors is contesting such action, step or proceeding in good faith and such action, step or proceeding is withdrawn or discharged within 30 days of its commencement;

(h) *insolvency official appointed and administration proceedings:* a liquidator, receiver, administrator, administrative receiver or similar officers appointed in respect of any Obligor or partnership of Obligors or any material part of its revenues or assets, or any Obligor or partnership of Obligors, its directors or any other person so entitled takes any steps to appoint an administrator or otherwise commence administration proceedings;

(i) *execution against assets:* any execution, distress or diligence is levied against:

(i) the whole or any part of the property, undertaking or assets (other than cash assets) of an Obligor or partnership of Obligors having a value, in the aggregate, of £100,000,000 (subject to Indexation) or more; or

(ii) the whole or any part of the cash assets of an Obligor or partnership of Obligors having a value, in the aggregate, of £100,000,000 (subject to Indexation) or more,

and, in each case, such execution, distress or diligence is not being contested in good faith;

(j) *analogous events:* any event occurs or proceedings are taken with respect to any Obligor or partnership of Obligors in any jurisdiction to which it is subject or in which it has assets which has an effect similar to or equivalent to any of the events mentioned in paragraphs

(g) (winding-up/reorganisation), (h) (insolvency official appointed and administration proceedings) and (i) (execution against assets) above;

(k) *breach of representation:* any representation, warranty or statement (other than the representation referred to in paragraph (l) below made or repeated by an Obligor in any of the Obligor Transaction Documents to which it is a party (other than the Tax Deed of Covenant, in relation to which see paragraph (o) (breach of Tax Deed of Covenant) below) or any statement made in any certificate provided in accordance with the Common Terms Agreement is or proves to have been incorrect or misleading in any respect when made or repeated if the effect thereof has, or would be, a Material Adverse Effect, provided that in any case that such breach is either incapable of remedy or is not remedied within a period of 60 days following (A) receipt by the Principal Obligor of notification of such breach from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor became aware of such breach;

(l) *breach of Offering Circular representation:* the representation and warranty set out in paragraph (g) in the section entitled "*Additional representations and warranties made on Exchange Date*", page 127, above, is found to have been incorrect when made, provided that such breach is either incapable of remedy or is not remedied within a period of 20 Business Days following (A) receipt by the Principal Obligor of notification of such breach from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor became aware of such breach;

(m) *illegality:* it is or becomes unlawful for any Obligor to comply with any or all of its obligations under any of the Obligor Transaction Documents or to own its assets or carry on its business if, in each case, the effect of such unlawfulness has or is reasonably expected to have a Material Adverse Effect, unless the circumstances giving rise to such illegality are capable of remedy and are remedied within a period of 60 days following (A) receipt by the Principal Obligor of notification of such illegality from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor becomes aware of such illegality;

(n) *litigation:* the commencement of any litigation, arbitration, administrative proceedings or governmental or regulatory investigations, proceedings or disputes against an Obligor or its assets, revenues or undertakings which, in any such case, is likely to be adversely determined against it and which, if so adversely determined, has or is reasonably expected to have a Material Adverse Effect; or

(o) *breach of Tax Deed of Covenant:* an Obligor or any Non-Restricted Group Entity which is a party to the Tax Deed of Covenant fails duly to perform or comply with any of its covenants under the Tax Deed of Covenant or any of its representations or warranties in the Tax Deed of Covenant is or proves to have been incorrect or misleading in any respect when made if the foregoing has, or is reasonably expected to have, a Material Adverse Effect, provided that, in any case, either such failure or breach is not capable of remedy or such failure or breach is not remedied within a period of 60 Business Days following (A) receipt by the Principal Obligor of notification of such failure or breach from the Obligor Security Trustee or (B) if earlier, the date on which any Obligor or such Non-Restricted Group Entity became aware of such failure or breach.

The Common Terms Agreement provides that a Potential Obligor Event of Default or an Obligor Event of Default in respect of a particular Obligor may be remedied by such Obligor becoming a Released Obligor in accordance with the Common Terms Agreement.

Remedy of Financial Covenant

Under the terms of the Common Terms Agreement, a breach of the Financial Covenant may be remedied by one or more of the following:

(a) Historical ICR: in the case of a breach of the Historical ICR component of the Financial Covenant, through:

(i) the deposit of an amount into the Debt Collateralisation Account which, had such amount been so deposited on the first day of the most recent Historical Calculation Period; and/or

(ii) the Prepayment of Non-Contingent Loans in accordance with the provisions described in the section entitled "— *Prepayment of Non-Contingent Loans*", page 115, above, which, had such Non-Contingent Loans been Prepaid on the first day of the most recent Historical Calculation Period; and/or

(iii) the addition of Additional Properties into the Estate which, had such properties been Mortgaged Properties on the first day of the most recent Historical Calculation Period,

(or any combination of the foregoing) would have ensured that such breach would not have occurred); and/or

(b) Projected ICR: in the case of a breach of the Projected ICR component of the Financial Covenant, through:

(i) the deposit of an amount into the Debt Collateralisation Account which, had such amount been so deposited on the first day of the relevant Forward-Looking Calculation Period; and/or

(ii) the Prepayment of Non-Contingent Loans in accordance with the provisions described in the section entitled "— *Prepayment of Non-Contingent Loans*", page 115, above which, had such Non-Contingent Loans been Prepaid on the first day of the relevant Forward-Looking Calculation Period; and/or

(iii) the addition of Additional Properties into the Estate which, had such properties been Mortgaged Properties on the first day of the relevant Forward-Looking Calculation Period,

(or any combination of the foregoing) would have ensured that such breach would not have occurred); and/or

(c) LTV: in the case of a breach of the LTV component of the Financial Covenant, through:

(i) the deposit of an amount into the Disposal Proceeds Account, the Debt Collateralisation Account or any other Approved Blocked Account which, had such amount been netted against the Security Group Net Debt Outstanding on the most recent Calculation Date; and/or

(ii) the Prepayment of Non-Contingent Loans in accordance with the provisions described in the section entitled "— *Prepayment of Non-Contingent Loans*", page 115, above, which, had such Non-Contingent Loans been Prepaid on the most recent Calculation Date; and/or

(iii) the addition of Additional Properties into the Estate which, had such properties been Mortgaged Properties on the most recent Calculation Date,

(or any combination of the foregoing) would have ensured that such breach would not have occurred; and/or

(d) *Ratings Test:* in the case of breach of any or all components of the Financial Covenant, through any remedial action approved as a Rating Affirmed Matter.

For the avoidance of doubt: (1) a single deposit, Prepayment of Non-Contingent Loans or addition of Additional Mortgaged Properties may be used to remedy a breach of all of the Historical ICR, Projected ICR, and LTV components of the Financial Covenant and (2) the Obligors shall have regard only to the interest that would have been earned on the deposits referred to in paragraphs (a)(i) and (a)(ii) above for the purposes of determining whether a breach of the Historical ICR or Projected ICR component of the Financial Covenant, respectively, has been remedied.

Acceleration of Secured Obligations and Enforcement of Obligor Security

The occurrence of an Obligor Event of Default under the Common Terms Agreement will entitle the Obligor Security Trustee to Accelerate all Secured Obligations (see the section entitled "— *Acceleration of Secured Obligations*", page 193, below). Further, it will entitle the Obligor Security Trustee and the Note Trustee to take enforcement action in respect of the Obligor Security (see the section entitled "— *Loan Enforcement Notice and Enforcement Action*", page 189, below). All monies standing to the credit of all of the Obligor Accounts may, in these circumstances, only be withdrawn with the prior consent of the Obligor Security Trustee. The occurrence of a P1 Trigger Event or a P2 Trigger Event will also entitle the Obligor Security Trustee to take Enforcement Action in respect of the Obligor Security and, in the case of an occurrence of a P1 Trigger Event, to Accelerate all Secured Obligations.

Disclosure of Information by the Obligor Security Trustee

The Common Terms Agreement prohibits the Obligor Security Trustee from disclosing to any person (unless required by law or court order or expressly permitted by an Obligor Transaction Document or by an Obligor in writing), any Valuation Report which discloses the Market Value of any individual Mortgaged Property or anything other than the aggregate value of the Estate as a whole.

B. SECURITY TRUST AND INTERCREDITOR DEED

The Issuer, FinCo, the other Original Obligors, the Note Trustee, the Obligor Security Trustee, Land Securities Group PLC (as a Stakeholder), the Initial ACF Providers and each of the other Obligor Secured Creditors (*inter alios*), on the Exchange Date, entered into the Security Trust and Intercreditor Deed pursuant to which:

(a) certain covenants to pay, and certain guarantees and indemnities were given by the Obligors to the Obligor Security Trustee, and certain fixed and floating security was expressed to be granted by the Obligors to the Obligor Security Trustee (see the section entitled "— *Security granted by the Obligors*", page 171, below);

(b) the claims of the Obligor Secured Creditors and any Stakeholders against the Obligors and the rights of priority and of enforcement in respect of the Obligor Secured Creditors' rights under the Obligor Transaction Documents were regulated (see the sections entitled "— Undertakings of the Obligor Secured Creditors and Stakeholders", page 137, below and "— *Security Group Priority of Payments*", page 198, below); and

(c) the procedure for instructing the Obligor Security Trustee, including instructions (i) to give any Loan Enforcement Notice to the Obligors or to take any Enforcement Action, (ii) to Accelerate the Secured Obligations, (iii) to concur in making modifications of, to give consent under or to grant waivers in respect of any breach or proposed breach of, the Obligor General Transaction Documents (or to grant a release from the Obligor Security) and (iv) to remove the Obligor Security Trustee and to appoint any successor thereof, was set out (see the section entitled "— *Intercreditor arrangements*", page 180, below).

Any Obligor joining the Security Group after the Exchange Date shall accede to, *inter alia*, the Security Trust and Intercreditor Deed (and shall give certain covenants to pay, certain guarantees and indemnities and grant certain fixed and floating security to the Obligor Security Trustee) (see the section entitled "— *Security granted by the Obligors*", page 171, below) by way of an Obligor Accession Deed (see "— *Additional Obligors*", page 85, above).

After the Exchange Date, any person who wishes to lend to, or become a creditor of, the Obligors on a secured basis will be required to become an Obligor Secured Creditor and accordingly shall accede to the Common Terms Agreement and the Security Trust and Intercreditor Deed by way of a Creditor Accession Deed, the form of which is set out in the Common Terms Agreement. Any Stakeholder becoming such after the Exchange Date shall accede to the Security Trust and Intercreditor Deed by way of an accession deed, the form of which is set out in the Security Trust and Intercreditor Deed.

Security granted by the Obligors

Covenants to pay and Guarantees

Pursuant to the Security Trust and Intercreditor Deed, each Obligor jointly and severally covenants with the Obligor Security Trustee to discharge and pay, on demand, each and every sum owing by it and any other Obligor to the Obligor Security Trustee or to any other Obligor Secured Creditor on account of the Secured Obligations.

Further, each Obligor irrevocably and unconditionally, and jointly and severally (but subject to the next paragraph):

(a) guarantees to the Obligor Security Trustee for itself and on behalf of the other Obligor Secured Creditors each and every obligation of each other Obligor in respect of the Secured Obligations; and

(b) indemnifies the Obligor Security Trustee immediately on demand against any loss or liability suffered by it or any of the other Obligor Secured Creditors if the guarantee of, or any obligation guaranteed by such Obligor or any other Obligor becomes unenforceable, invalid or illegal, and the amount of the loss or liabilities under such indemnity will be equal to the amount that the Obligor Security Trustee would otherwise have been entitled to recover for itself or, as the case may be, on behalf of such Obligor Secured Creditor

(the guarantees and indemnities above, the "**Guarantee**").

The claims of the Obligor Security Trustee in respect of the Guarantee given by each Nominee are recoverable only from the enforcement proceeds in respect of the Obligor Security granted to the Obligor Security Trustee by such Nominee and/or to the extent of the Trust Property available to such Nominee to make payments under the Guarantee. If the Obligor Security Trustee determines that the value of the Trust Property of any Nominee (including such Nominee's right to an indemnity out of the Trust Property) is less than the amount actually due and payable under the Guarantee of such Nominee, the claims under the Guarantee shall be reduced to an amount equal to the value of such Trust Property.

Fixed and floating security granted by the Obligors

Pursuant to the Security Trust and Intercreditor Deed, each Obligor granted to the Obligor Security Trustee, as security for the Secured Obligations, the following security interests over its present and future assets including, to the extent applicable to such Obligor and such assets:

(a) (i) (in the case of real property in England and Wales) a first ranking charge by way of legal mortgage (or, in the case of real estate properties in Scotland, a Standard Security) over its freehold and/or leasehold interests in the real properties intended to constitute the Initial Estate and any real property thereafter belonging to any Obligor and brought into the Estate and (ii) (subject to any Permitted Encumbrances referred to in paragraph (h) of the definition thereof) a first ranking fixed equitable mortgage over all other real property assets;

(b) a first fixed charge over all plant, machinery and other chattels owned by it and situated in or at the Mortgaged Properties;

(c) a first fixed charge over the Obligor Accounts;

(d) a first fixed charge over the entire issued share capital held by it in each of its subsidiaries and all dividends, interest and other monies receivable by it in respect of such share capital (including redemption, any bonus or any rights arising under any preference, option, substitution or conversion relating to such share capital);

(e) a first fixed charge over its rights under any agreement relating to the purchase of any Mortgaged Properties in England and Wales;

(f) a first fixed charge over all rights, title and interest, present and future, in Intellectual Property Rights but only insofar and to the extent that such Intellectual Property Rights are used by it in connection with its Mortgaged Properties;

(g) a first fixed charge over any interest in any Eligible Investments held by or on behalf of it;

(h) a first fixed charge over all of its goodwill;

(i) a first fixed charge over all of its uncalled share capital;

(j) a first fixed charge over all Monetary Claims and all related rights in respect of those Monetary Claims other than any claims and rights which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Security Trust and Intercreditor Deed;

(k) an assignment by way of security of all its rights to and in all Rental Income (including all its rights under any guarantee of rental income contained in or relating to any Leasing Agreement);

(l) an assignment by way of security of all proceeds receivable by each Obligor under the Insurance Policies and of all related rights in respect of those Insurance Policies;

(m) an assignment by way of security of its rights, title and interest in the Obligor Transaction Documents (excluding the Reorganisation Documents) to which it is a party; and

(n) a first floating charge over the whole or substantially the whole of its undertaking, assets, property and rights whatsoever and wheresoever, present and future (the floating charge referred to in this paragraph (n), the "**STID Floating Security**").

The STID Floating Security shall be deferred in point of priority to all fixed security validly created by the Obligors under the Obligor Security Documents.

In addition to the foregoing, the Principal Obligor has granted to the Obligor Security Trustee as security for the Secured Obligations, a fixed charge over all its rights in the custody agreement entered into between the Principal Obligor and Deutsche Bank AG, London Branch in respect of the custody account held in the name of the Principal Obligor for the purposes of depositing Notes.

A note about Scottish Standard Security

Fixed security has been and will be created over Scottish Mortgaged Properties by means of separate Standard Securities. The Standard Security is the only competent means of creating a fixed charge over heritable or leasehold property in Scotland.

The form of each Standard Security must comply with the requirements of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended (the "**1970 Act**"). The 1970 Act specifies a

statutory set of “Standard Conditions” which regulate all standard securities, although the majority of these (except for the standard conditions dealing with the powers of sale, redemption and foreclosure) may be, and predominantly in practice are extensively, varied by agreement between the parties. The standard conditions regulate (amongst others) maintenance and repair, insurance, letting, the rights of the creditor in the event of the debtor being in default and redemption of the sums secured by the Standard Security.

The Standard Conditions have been and will be varied in each of the Standard Securities over the Scottish Mortgaged Properties so as to achieve consistency with the conditions set out in the Common Terms Agreement and the Security Trust and Intercreditor Deed. There are a number of ways to effect enforcement set out in the 1970 Act, including the heritable creditor’s right to sell the property in certain circumstances upon completion of the “calling up process” (again set out in the 1970 Act). This is, however, subject to various duties including an obligation to take all reasonable steps to ensure that the sale price is the best that can reasonably be obtained. In contrast to the position in England and Wales, the heritable creditor has no power to appoint an LPA receiver under the Standard Security.

Freedom to deal

In respect of the security interests granted under the Obligor Security Documents, the Security Trust and Intercreditor Deed provides that, provided an Enforcement Period is not continuing at such time, each Obligor will be free to deal with any of its assets (including any assets of an Obligor and any shares held in an Obligor secured in favour of the Obligor Security Trustee or the Issuer under the Obligor Security Documents) except to the extent that such Obligor is restricted from doing so by virtue of the existence of the security interests over the Mortgaged Properties and the following provisions in the Obligor General Transaction Documents:

(a) the conditions as set out in the Common Terms Agreement regulating the release of Mortgaged Properties, Intellectual Property Rights and shares in Obligors from the Obligor Security (see the sections entitled “— *Released Properties*”, page 92, above, and “— *Released Obligors*”, page 87, above);

(b) the covenants as set out in the Common Terms Agreement (see the sections entitled “– *T1 Covenants*”, “— T2 Covenants”, “— *Initial T3 Covenants*”, and “— *Final T3 Covenants*”, page 150 et seq.above);

(c) the conditions as set out in the Common Terms Agreement regulating withdrawals from Obligor Accounts (see the section entitled “— *Special Provisions Concerning Obligor Accounts*”, page 153, above);

(d) the obligation of the Obligors to make payments in accordance with the “–*Security Group Priority of Payments*”, page 198 et seq. below; and

(e) the provision as set out in the Security Trust and Intercreditor Deed as set out in “— *Prohibition against assignments*”, immediately below.

Notwithstanding the assignment of all rights, title and interests of the Obligors in the Obligor Transaction Documents to the Obligor Security Trustee, each Obligor shall, subject to and in

accordance with the provisions of the Common Terms Agreement and the Security Trust and Intercreditor Deed, be entitled at any time other than during any Enforcement Period (other than a P2 Enforcement Period) freely to exercise all of the rights and powers expressed to be granted to it under the Obligor Transaction Documents. However, during an Enforcement Period any amounts to be paid to an Obligor under the Obligor Transaction Documents shall be applied in accordance with the then applicable Security Group Post-Enforcement Priority of Payments.

In respect of any Charged Property apart from the Mortgaged Properties, the Intellectual Property Rights (to the extent they are Charged Property) and shares in the Obligors (to the extent they are Charged Property), the procedure for release of which is dealt with in the Common Terms Agreement (see "— *Released Properties*", page 92, above, in respect of the Mortgaged Properties and the Intellectual Property Rights and "— *Released Obligors*", page 87, above, in respect of shares in the Obligors), and with which an Obligor is free to deal by virtue of the above, a purchaser of such Charged Property may request confirmation that neither the STID Floating Security nor the OFCA Floating Security have crystallised from the Obligor Security Trustee (in respect of the Obligor Security held by it) and the Note Trustee (in respect of the OFCA Floating Security) (such confirmation to be given in accordance with the provisions of the Security Trust and Intercreditor Deed).

Prohibition against assignments

The Security Trust and Intercreditor Deed provides that the Obligors are prohibited from assigning or purporting to assign to any person other than the Obligor Security Trustee the rights, title, interest or benefit of any Obligor Account, any Obligor Transaction Document, any Leasing Agreement, any Development Contract or any Insurance Policy.

Trust for Obligor Secured Creditors

The Obligor Security Trustee will, subject to the section entitled "— *Floating charges held by the Obligor Security Trustee and the Issuer*" immediately below and the remainder of this paragraph, hold the benefit of all the security created in its favour and the covenants to pay and the Guarantees granted by the Obligors as referred to in "— *Covenants to pay and Guarantees*", page 171, above, on trust for the benefit of itself and the other Obligor Secured Creditors. Furthermore:

(a) the benefit of the security over amounts credited to any Liquidity Facility Reserve Account will be held on trust by the Obligor Security Trustee for the benefit of the applicable Liquidity Facility Provider so as to secure the repayment of any standby drawing under the relevant Liquidity Facility Agreement;

(b) the benefit of the security over any amount credited to any DCA Ledger designated for the Collateralisation of any ICL Loan will be held on trust by the Obligor Security Trustee solely for the Issuer, and the benefit of the security over any amount credited to any DCA Ledger designated for the Collateralisation of any ACF Loan will be held on trust by the Obligor Security Trustee solely for the ACF Provider(s) of the corresponding ACF Loan, so as to secure repayment or Actual Prepayment of the corresponding ICL Loan or ACF Loan (as the case may be); and

(c) the Obligor Security Trustee shall hold the benefit of the security over (i) any amount credited to any Swap Collateral Account designated in respect of a Swap Counterparty on trust for that Swap Counterparty as security for the repayment or redelivery of collateral to the Swap Counterparty, and (ii) any amount credited to any Swap Excluded Amount Account designated in respect of a Swap Counterparty on trust for that Swap Counterparty as security for the obligation of the relevant Obligor to pay (A) an amount equal to any tax credit received by an Obligor which falls within paragraph (b) of the definition of "**Swap Excluded Amounts**" and (B) any termination sum due to such Swap Counterparty.

Floating charges held by the Obligor Security Trustee and the Issuer

Pursuant to the Security Trust and Intercreditor Deed, the Obligor Security Trustee will hold the STID Floating Security on trust for the benefit of itself and the other Obligor Secured Creditors other than the Issuer. The Issuer will hold the floating charges granted by the Obligors pursuant to the Obligor Floating Charge Agreement (the "**OFCA Floating Security**") for the benefit of itself (see "— *Obligor Floating Charge Agreement*", page 214, below) (however, the Note Trustee will be the assignee (by way of security) of the OFCA Floating Security pursuant to the Issuer Deed of Charge, see "— *Issuer Deed of Charge*", page 233, below).

The OFCA Floating Security (as in the case of the STID Floating Security, see "— *Fixed and floating security granted by the Obligors*", page 172, above) will be deferred in point of priority to all fixed security validly created by the Obligors under the Obligor Security Documents. The OFCA Floating Security and the STID Floating Security will rank *pari passu* with one another and, for such purpose, will be expressed to be created simultaneously.

Enforceability of the floating charges: The Security Trust and Intercreditor Deed provides that the STID Floating Security shall become enforceable during an Enforcement Period (other than a P2 Enforcement Period) (see "— *Loan Enforcement Notice and Enforcement Action*", page 189, below

The Obligor Floating Charge Agreement provides that the OFCA Floating Security shall become enforceable by the Note Trustee (by appointing an administrative receiver):

(a) during an Enforcement Period, provided that, if the commencement of an Enforcement Period is due to the delivery of a Loan Enforcement Notice pursuant to a P2 Trigger Event, the OFCA Floating Security shall not become enforceable unless and until the occurrence of an Enforcement Trigger Event other than a P2 Trigger Event; or

(b) if the Note Trustee has actual notice of an application for the appointment of an administrator in respect of an Obligor or has actual notice of the giving of a notice of intention to appoint an administrator in respect of an Obligor or has actual notice of the filing of a notice of appointment of an administrator of an Obligor with the court.

Appointment of an administrative receiver: The Obligor Floating Charge Agreement provides that the Note Trustee (being the assignee by way of security of the OFCA Floating Security by virtue of the Issuer Deed of Charge) shall enforce the OFCA Floating Security in respect of any Obligor, by appointing an administrative receiver, if it has actual notice either (i) of an application for the

appointment of an administrator, (ii) of the giving of a notice of intention to appoint an administrator, in respect of such Obligor or (iii) of the filing of a notice of appointment of an administrator in respect of an Obligor with the court, such appointment to take effect upon the final day by which the appointment must be made in order to prevent an administration proceeding or (where an Obligor or the directors of an Obligor have initiated the administration) not later than that final day.

In addition, the Note Trustee will (subject to "— *Indemnity of the Note Trustee*" immediately below), during an Enforcement Period, enforce the OFCA Floating Security in respect of any Obligor by the appointment of an administrative receiver (if the Note Trustee has not already done so pursuant to the foregoing). The Note Trustee shall not, however, be entitled to do so if the Enforcement Period commences following only a P2 Trigger Event.

In either case, the Note Trustee shall not be liable for any failure to appoint, save in the case of its own negligence, wilful default or fraud.

Indemnity of the Note Trustee: The Note Trustee shall not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Obligor Floating Charge Agreement provides that, in the event that the Note Trustee is required to enforce the OFCA Floating Security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, or has actual notice of the filing of a notice of appointment of an administrator in respect of an Obligor with the court, then the Note Trustee agrees that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against the Obligors under the Obligor Floating Charge Agreement and against the Issuer under the Issuer Deed of Charge, and the security it has in respect of such rights. The Obligors covenant in the Obligor Floating Charge Agreement that, in the event the Note Trustee appoints an administrative receiver by reason of it having actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, they waive any claims against the Note Trustee in respect of such appointment.

Appointment of an administrator: The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee shall not (notwithstanding any Secured Creditor Instruction to the contrary) make any application to appoint an administrator or give any notice of intention to appoint an administrator unless the Note Trustee has agreed to such action.

Consultation in dealings with administrative receiver of the floating charge assets: Any administrative receiver appointed by the Note Trustee pursuant to the Obligor Floating Charge Agreement in respect of any assets over which it is so appointed shall consult with the Obligor Security Trustee as holder of the STID Floating Security (being an equal ranking floating charge over the same assets) and, if necessary, request the release of such assets from the STID Floating Security. The release of any assets (over which the Note Trustee has appointed an administrative receiver) from the STID Floating Security upon enforcement of the OFCA Floating Security shall constitute the taking of Enforcement Action in respect of the Obligor Security (see "— *Loan Enforcement Notice and Enforcement Action*", page 189, below).

Proceeds: The Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement will provide that the proceeds of enforcement of the OFCA Floating Security by the Note Trustee

(or any administrative receiver appointed by it) will be applied, together with any proceeds of enforcement of the other Obligor Security by the Obligor Security Trustee (or any Receiver appointed by it), in accordance with the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments or the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments (as the case may be). Any proceeds of enforcement of the OFCA Floating Security will be paid to the Issuer and will be taken into account by the Obligor Security Trustee in ensuring that the Issuer recovers no more than its *pro rata* proportion of the aggregate proceeds of enforcement of all Obligor Security.

Undertakings of the Obligor Secured Creditors and Stakeholders

Pursuant to the terms of the Security Trust and Intercreditor Deed, each Obligor Secured Creditor (other than the Obligor Security Trustee) undertakes not to:

(a) permit or require any Obligor to discharge any of the Secured Obligations owed to it, save to the extent and in the manner permitted by the Common Terms Agreement and the Security Trust and Intercreditor Deed (including the Security Group Priority of Payments);

(b) Accelerate, or permit or require any Obligor to Accelerate, pay, prepay (by way of Prepayment or otherwise), repay, redeem, purchase or otherwise acquire any of the Secured Obligations owed by such Obligor (including any obligation under any Swap Agreement), save (i) to the extent and in the manner permitted by the Common Terms Agreement and the Security Trust and Intercreditor Deed and (ii) for the mandatory prepayment of ACF Loans in the event that it becomes unlawful for an ACF Provider to perform any of its obligations as contemplated by the relevant ACF Agreement or to fund or maintain any ACF Loan;

(c) take, accept or receive the benefit of any Encumbrance, guarantee, indemnity or other assurance against financial loss from any of the Obligors in respect of any of the Secured Obligations owed to it, unless it is given pursuant to the terms of the Obligor Security Documents;

(d) take, receive or recover from any of the Obligors by cash receipt, set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever (except, in respect of the Account Bank, the right to net the credit and debit balances of the Collection Account and/or any Operating Account as permitted under the Account Bank and Cash Management Agreement) the whole or any part of the Secured Obligations owed to it, save to the extent expressly permitted by the Common Terms Agreement and the Security Trust and Intercreditor Deed and any netting or set-off expressly permitted under any Swap Agreements (including any collateral arrangements relating thereto);

(e) except as permitted by the Security Trust and Intercreditor Deed or the Common Terms Agreement (as described in the section "— *Intercreditor arrangements*", page 180, below), agree to any modification to, any consent under or any waiver in respect of any breach or proposed breach of, any Obligor Transaction Document to which it is a party; or

(f) take any Enforcement Action in respect of the Obligor Security except in accordance with the provisions of the Security Trust and Intercreditor Deed and the other Obligor Security Documents.

Notwithstanding the undertakings described above:

(a) if an ACF Agreement contains provisions requiring any Obligor to make mandatory prepayment of ACF Loans following an election by the Issuer to exercise its right to redeem the Notes upon the occurrence of a Ratings Event (see "— *Repayment of ICL Loans and ACF Loans on Ratings Event*", page 106, above) the prepayment of such ACF Loans shall not constitute a breach of the undertakings described above; and

(b) if a Swap Agreement contains provisions permitting a Swap Counterparty to terminate the relevant Swap Agreement (or any transactions thereunder) (as described in paragraphs (a) to (e) under "— *Termination*", page 229, below), the termination of such Swap Agreement (or any transactions thereunder) in accordance with those termination provisions shall not constitute a breach of the undertakings described above.

Each Obligor undertakes in the Security Trust and Intercreditor Deed that it will not do or agree to do any act whereby an Obligor Secured Creditor would be in breach of any of (a) to (e) above.

Each Obligor Secured Creditor agrees that only the Obligor Security Trustee is entitled to deliver a Loan Enforcement Notice or a Loan Acceleration Notice, and only the Obligor Security Trustee or any Receiver appointed by the Obligor Security Trustee may take Enforcement Action against any Obligor (however, the Note Trustee may enforce the OFCA Floating Security as described in "*Floating charges held by the Obligor Security Trustee and the Issuer*", page 135, above). The Obligor Security Trustee shall not be obliged to do any of the above unless it is instructed to do so by a Secured Creditor Instruction and indemnified and/or secured to its satisfaction and the Note Trustee shall not be obliged to do any of the above unless it is instructed in accordance with the Conditions (otherwise than as regards the appointment of an administrative receiver (see "— *Appointment of an Administrative Receiver*", page 254, below)).

Each Stakeholder, in the Security Trust and Intercreditor Deed, with respect to any monetary claims it may have from time to time against any Obligor ("**Stakeholder Claims**"), agrees not to:

(a) permit or require any Obligor to discharge, acquire or collateralise any Stakeholder Claim owed to it, save to the extent and in the manner permitted by the Common Terms Agreement and the Security Trust and Intercreditor Deed (including the Security Group Priority of Payments);

(b) take, accept or receive the benefit of any Encumbrance, guarantee, indemnity or other assurance against financial loss in respect of any Stakeholder Claim unless the same is permitted under the Common Terms Agreement or the Security Trust and Intercreditor Deed; or

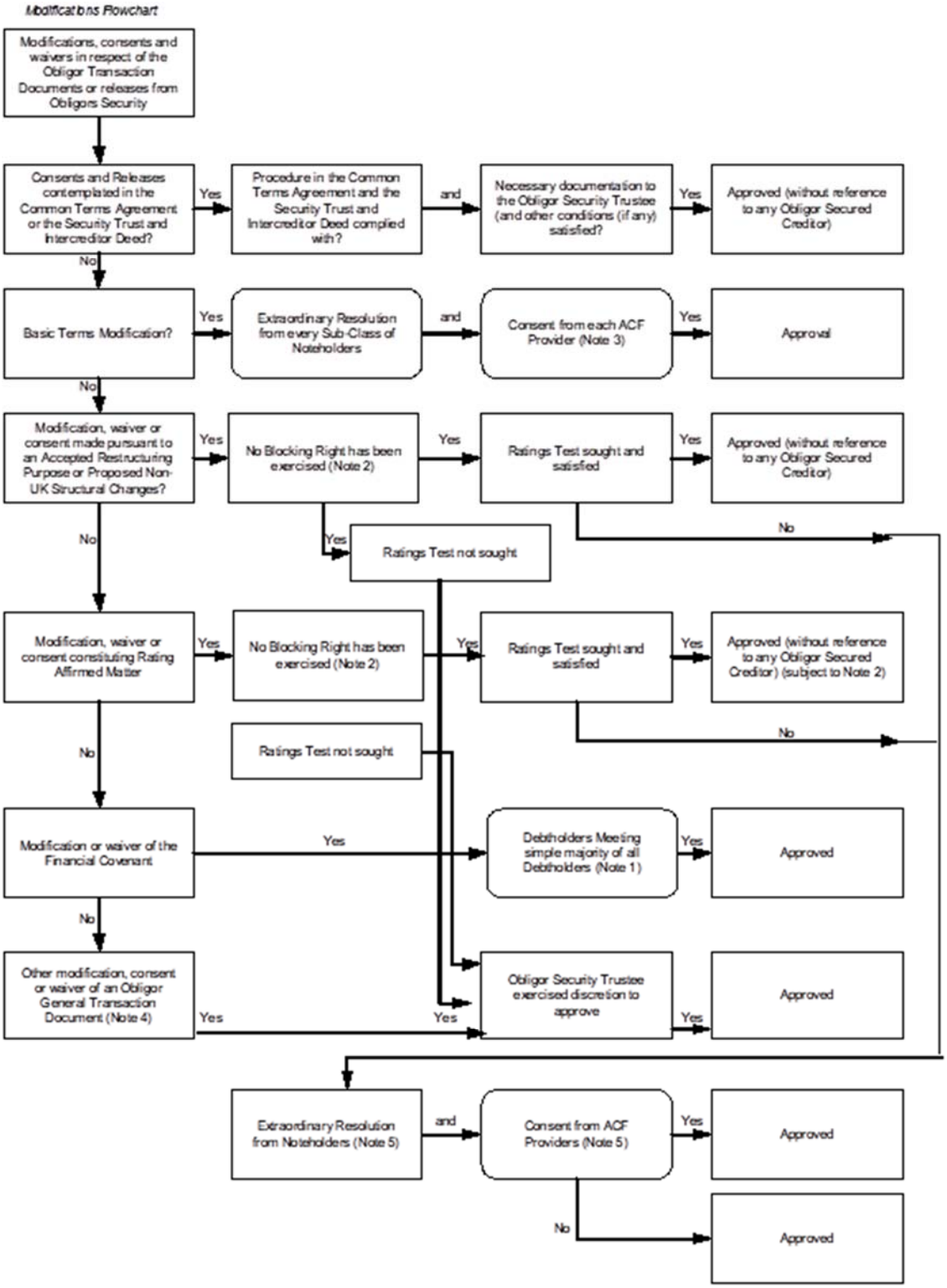
(c) take, receive or recover from any of the Obligors by cash receipt, set-offs any right of combination of accounts, proceedings of any kind or in any other manner whatsoever the whole or any part of the Stakeholder Claims owed to it, save to the extent expressly

permitted by the Security Trust and Intercreditor Deed and the Common Terms Agreement.

Intercreditor arrangements

Modifications, consents or waivers

The arrangements in respect of modifications, consents or waivers in respect of the Obligor Transaction Documents and releases from Obligor Security are illustrated by the flowchart below:



Notes to the Flowchart:

Note 1: If, in the opinion of the Obligor Security Trustee, there is (or may be) a conflict of interest as between Noteholders on the one hand and ACF Providers on the other hand or there is (or may be) a conflict of interest between Debtholders of different Classes, it may convene separate

Debtholders' Meetings in respect of those Noteholders and ACF Providers, or in respect of those Classes of Debtholders (as the case may be) as provided in "— *Conflict of Interest*", page 198, below.

Note 2: If a Blocking Right has been granted in respect of the modification in question, the Obligor Security Trustee shall not concur in making such modification if such Blocking Right has been exercised (see "— *Specific rights for Swap Counterparties and Liquidity Facility Providers*", page 184, below and see "— *Blocking Rights*", page 197, below).

Note 3: The ACF Providers (or a requisite majority thereof) shall approve such modification, consent or waiver in accordance with their respective ACF Agreement. Any modification to any Security Group Priority of Payments will require the consent of each Swap Counterparty and each Liquidity Facility Provider (if any) if it changes the ranking of such Swap Counterparty or such Liquidity Facility Provider (see "— *Specific rights for Swap Counterparties and Liquidity Facility Providers*", page 184, below).

Note 4: A modification, consent or waiver would fall within the category of "**Other modification, consent or waiver**", as it appears in the above flowchart, if (a) it is not (i) a Basic Terms Modification, (ii) made pursuant to an Accepted Restructuring Purpose, (iii) made pursuant to Proposed Non-UK Structural Changes, (iv) a Rating Affirmed Matter or (v) a modification or waiver of the Financial Covenant, and in respect of which no Blocking Right had been exercised and (b) in the opinion of the Obligor Security Trustee (1) it is required to correct a manifest error, or an error in respect of which an English court could reasonably be expected to make a rectification order, or it is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification or (2) it is not materially prejudicial to the interests of the Most Senior Class of Debtholders (see "— *Other modifications, consents or waivers*", page 188, below).

Note 5: A modification, consent or waiver, which is not (i) a Basic Terms Modification, (ii) made pursuant to an Accepted Restructuring Purpose, (iii) made pursuant to Proposed Non-UK Structural Changes, (iv) a Rating Affirmed Matter or (v) a modification or waiver of the Financial Covenant which must be approved by the Most Senior Class of Debtholders in accordance with the mechanics as set out in "— *Other modifications, consents or waivers*", page 188, below (subject to the exercise of any Blocking Rights). If, however, such modification, waiver or consent (i) is made pursuant to an Accepted Restructuring Purpose, (ii) made pursuant to Proposed Non-UK Structural Changes or (iii) constitutes a Rating Affirmed Matter, but the Ratings Test has not been satisfied, then such modification, consent or waiver must be approved by the P1 Debtholders and P2 Debtholders (as applicable) in accordance with the mechanics as set out in "— *Rating Affirmed Matters*", page 185, below (subject to Blocking Rights). If the Ratings Test in those circumstances has not been sought by the Obligors and the Obligor Security Trustee has not exercised its discretion to approve, then the approval of the Most Senior Class of Debtholders and the P2 Debtholders (if not the Most Senior Class of Debtholders) will be sought if either such Class of Debtholders would be materially prejudiced.

Consents and Releases against compliant documentation

The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee will, without the consent of any Obligor Secured Creditor, the Note Trustee or any Noteholder, give any consent under the Obligor Transaction Documents or grant any release from the Obligor Security (as applicable) if (i) such consent or release is expressly contemplated in the Common Terms Agreement or the Security Trust and Intercreditor Deed, (ii) the relevant Obligor has complied with the procedures set out in the Common Terms Agreement (if any) or the Security Trust and Intercreditor Deed for obtaining the Obligor Security Trustee's consent under the Obligor Transaction Document or the grant of any release from the Obligor Security, and (iii) such Obligor provides any necessary documentation and/or satisfies any other requirements as set out in the Common Terms Agreement or the Security Trust and Intercreditor Deed.

Basic Terms Modifications

The Security Trust and Intercreditor Deed provides that no modification will be made, waiver granted or consent given in respect of any Obligor Transaction Documents which relates to or has the effect of:

(a) postponing the date of maturity or any date fixed for payment of principal or interest in respect of any Note, any ICL Loan or any ACF Loan;

(b) bringing forward the date of maturity or any date fixed for payment of principal or interest on any Note, any ICL Loan or any ACF Loan;

(c) reducing or cancelling the amount of principal or interest due on any date in respect of any Note, any ICL Loan or any ACF Loan, or modifying the method of calculating the amount of any payment of principal and interest in respect of any Note, any ICL Loan or any ACF Loan;

(d) changing the currency in which amounts due in respect of any Note, any ICL Loan or any ACF Loan are payable (other than, in respect of any Note, any ICL Loan or any ACF Loan payable in sterling, owing to the United Kingdom adopting the euro as its lawful currency);

(e) changing any Security Group Priority of Payments in respect of any Priority 1 Debt, Priority 2 Debt or Subordinated Debt relative to each other **provided that**, for the avoidance of doubt, the creation or modification of the Secondary Debt Ranks (see "— *Ranking of Financial Indebtedness*", page 106, above) shall not be a Basic Terms Modification;

(f) changing any Issuer Priority of Payments in respect of any Priority 1 Notes, Priority 2 Notes or Subordinated Notes relative to each other **provided that**, for the avoidance of doubt, the creation or modification of the Secondary Debt Ranks (see "— *Ranking of Financial Indebtedness*", page 106, above) shall not be a Basic Terms Modification;

(g) changing the Sequential Prepayment Regime;

(h) (while a T3 Covenant Regime applies) prepaying Non-Contingent Loans otherwise than in accordance with the Sequential Prepayment Regime;

(i) changing the definition of "ACF Providers' Confirmation", "Extraordinary Resolution", "Basic Terms Modification", "Debtholders' Meeting", "Secured Creditor Instruction" or "Qualifying Debtholders";

(j) changing the quorum requirement at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution;

(k) changing the majority required to approve a proposed Secured Creditor Instruction at a Debtholders' Meeting; or

(l) effecting the exchange, conversion or substitution of any Note, any ICL Loan or any ACF Loan for, or the conversion of such Note, ICL Loan or ACF Loan, into shares, bonds or other obligations or securities of the Issuer or any Obligor or any other person or body corporate formed or to be formed (other than as expressly contemplated by and in accordance with any Transaction Document, including in respect of any Note, in accordance with Condition 15(d) (*Substitution of the Issuer*) and Clause 17 (*Substitution of the Issuer*) of the Trust Deed),

(each a "**Basic Terms Modification**") unless:

(1) the Note Trustee has confirmed to the Obligor Security Trustee that each Sub-Class of Notes (other than any Sub-Class of Notes where all Noteholders are Obligors or Non-Restricted Group Entities) then outstanding has duly passed an Extraordinary Resolution (as defined in the Conditions) approving such Basic Terms Modification;

(2) each Representative of the ACF Providers has confirmed to the Obligor Security Trustee by way of an ACF Providers' Confirmation that it has been duly instructed by the ACF Provider (or the requisite instructing group of ACF Providers) in accordance with the relevant ACF Agreement to approve such Basic Terms Modification (provided that the Representatives of ACF Providers shall disregard (i) ACF Providers who are Non-Restricted Group Entities or (ii) Opt-out ACF Providers in giving the aforementioned confirmation to the Obligor Security Trustee); and

(3) in respect of any such modification, waiver or consent where the Swap Counterparties and/or Liquidity Providers have a Blocking Right, such Blocking Right has not been duly exercised.

Specific rights for Swap Counterparties and Liquidity Facility Providers

The Obligor Security Trustee shall not, without the consent of the Swap Counterparties or the Liquidity Facility Providers (as the case may be), concur in making, granting or giving:

(a) any modification to the terms of the Security Group Priority of Payments which changes the ranking of any payment obligation in favour of a Swap Counterparty or a Liquidity Facility Provider relative to any payment obligation in favour of any other Obligor Secured Creditor;

(b) in the case of the Swap Counterparties only, any modification to the Hedging Covenant which (a) would result in the Security Group being hedged for interest rate fluctuations in relation to the Non-Contingent Loans in an amount which exceeds the maximum amount permitted under the Hedging Covenant (as such amount may be amended from time to time with the consent of the Swap Counterparties), or (b) during the course of any Enforcement Action, would amend the amount of Swap Transactions required in order for the Security Group to be in compliance with the Hedging Covenant; and

(c) any modification, consent or waiver which would (a) impose a new obligation on a Swap Counterparty or a Liquidity Facility Provider, (b) result in an increase in the payment obligations of a Swap Counterparty or a Liquidity Facility Provider under the Obligor

Transaction Documents, or (c) make any other obligation of a Swap Counterparty or a Liquidity Facility Provider under the Obligor General Transaction Documents more onerous.

Rating Affirmed Matters

The Security Trust and Intercreditor Deed provides that, upon the request of the Obligors, the Obligor Security Trustee will, without the consent of any Obligor Secured Creditor, the Note Trustee or any Noteholder (but subject to exercise of any Blocking Rights), permit any of the following:

(a) Headroom Tests: drawing, issuing or incurring any Priority 1 Debt, Priority 2 Debt or Unsecured Debt as Permitted Drawings notwithstanding a breach of the relevant Headroom Test (see "— *Permitted Financial Indebtedness*", page 108 et seq. above);

(b) Headroom Tests: modifying any level of LTV, Projected ICR or Historical ICR as prescribed in the Headroom Tests (see "— *Permitted Financial Indebtedness*", page 108 et seq. above);

(c) Maturity Restrictions: drawing, issuing or incurring, or changing any maturity date of, any Priority 1 Debt, Priority 2 Debt or Subordinated Debt notwithstanding a breach of the Maturity Restrictions (see "— *Maturity Restrictions*", page 110, above);

(d) Maturity Restrictions: modifying any of the Maturity Restrictions or any part thereof (see "— *Maturity Restrictions*", page 110, above);

(e) Liquidity Facility: waiving the requirement to enter into any Liquidity Facility Agreement following a breach of the Liquidity Threshold or cancelling any commitment under any Liquidity Facility Agreement which will result in a breach of the Liquidity Threshold (excluding any cancellation which is expressly permitted under the Obligor Transaction Documents) (see "— *Mandatory Liquidity Provisions*", page 112 et seq. above);

(f) Liquidity Facility: modifying the Mandatory Liquidity Provisions or any part thereof (see "— *Mandatory Liquidity Provisions*", page 112 et seq. above);

(g) Hedging Covenant: waiving the requirement to enter into, entering into or terminating any Swap Transaction which will result in a breach of the Hedging Covenant (excluding any termination which is expressly permitted under the Obligor Transaction Documents) (see "— *Swap Agreements and Hedging Covenant*", page 113 et seq. above);

(h) Hedging Covenant: modifying the Hedging Covenant or any part thereof (see "— *Swap Agreements and Hedging Covenant*", page 113 et seq. above);

(i) Changes in Applicable Accounting Principles: modifying the Tier Thresholds (or any part thereof), or any level of LTV, Projected ICR or Historical ICR as prescribed in the Headroom Test or the Financial Covenant, pursuant to the adoption of the Proposed Accounting Principles which requires an Accounting Principles Confirmation (see "— *Changes in Applicable Accounting Principles*", page 131, above);

(j) Testing: modifying any Tier Threshold (or any part thereof), or any level of P1 LTV as prescribed in the P1 Debt Test (see "— *The Tier Tests*", page 125 et seq. above);

(k) Property Covenants: conducting any Dealing which will result in a breach of any Property Covenant, the covenant regarding Acquisitions (see "— *Acquisitions*", page 150, above) or the covenant regarding Lease Surrenders (see "— *Lease Surrenders*", page 150, above) or which is to be disregarded for the purpose of considering whether a Property Covenant, the covenant regarding Acquisition or the covenant regarding Lease Surrenders has been breached (see "— *Property Covenants*", page 137 et seq. above);

(l) Property Covenants: modifying any of the Property Covenants, the covenant regarding Acquisitions (see "— *Acquisitions*", page 150 above) or the covenant regarding Lease Surrenders (see "— *Lease Surrenders*", page 150, above) or any part thereof (see "— *Property Covenants*", page 137 et seq. above);

(m) Restricted Payments from Sales Proceeds: making a Restricted Payment with any part of the Sales Proceeds relating to any Disposal or Deemed Disposal not otherwise permitted in accordance with the Common Terms Agreement (see "— *Additional negative covenants of the Obligors*", page 148, above);

(n) Restricted Payments: (while the Final T3 Covenant Regime applies) making a Restricted Payment, other than a payment made solely from the net proceeds of issue of equity in an Obligor and/or the incurrence of Subordinated Debt and/or Unsecured Debt (see "— *Final T3 Covenants*", page 152, above); and

(o) Remedy of Financial Covenant: the Obligors taking any action not otherwise specified in the Common Terms Agreement to remedy the breach of the Financial Covenant (see "— *Remedy of Financial Covenant*", page 169, above),

(each a "**Rating Affirmed Matter**") provided that, in each case, the Ratings Test in respect of such Rating Affirmed Matter has been satisfied.

Further, the Obligor Security Trustee shall not concur in the Rating Affirmed Matter if a Blocking Right has been given in respect of such matter and such Blocking Right has been exercised or if the matter constitutes a Basic Terms Modification, a modification pursuant to an Accepted Restructuring Purpose or a Proposed Non-UK Structural Change or a modification or waiver of the Financial Covenant and the requirements relating to the implementation of such modification, consent or waiver have not been satisfied.

No confirmation from Rating Agencies: If a modification, consent or waiver constitutes a Rating Affirmed Matter, but:

(a) the Obligor Security Trustee has not received the necessary confirmation(s) from the Rating Agency (or Rating Agencies) that the Ratings Test has been satisfied in relation thereto; or

(b) the Obligors have not sought such confirmation,

then the Obligor Security Trustee shall not concur in making such modification, give such consent or grant such waiver unless:

(i) in the case of (a) above, (1) the Note Trustee confirms (a "P1/P2 Noteholder Confirmation") to the Obligor Security Trustee that Noteholders who are part of P1 Debtholders and Noteholders who are part of P2 Debtholders have duly passed Extraordinary Resolutions approving such modification, waiver or consent, and (2) each Representative of ACF Providers who are P1 Debtholders and P2 Debtholders confirms (a "P1/P2 ACF Providers' Confirmation") to the Obligor Security Trustee by way of an ACF Providers' Confirmation that it has been duly instructed by such ACF Providers (or the requisite instructing group of ACF Providers) to approve such modification, consent or waiver; or

(ii) in the case of (b) above, either (1) in the opinion of the Obligor Security Trustee it is not materially prejudicial to the interests of the Most Senior Class of Debtholders and the P2 Debtholders (if not the Most Senior Class of Debtholders) (and, in determining material prejudice, the Obligor Security Trustee shall be entitled to have regard to whether, among other things, the Ratings Test is satisfied), or (2) to the extent that the interests of either the Most Senior Class of Debtholders or the P2 Debtholders (if not the Most Senior Class of Debtholders) are materially prejudiced, the Note Trustee and the Representatives of the ACF Providers who are P1 Debtholders and P2 Debtholders provide to the Obligor Security Trustee a P1/P2 Noteholder Confirmation and a P1/P2 ACF Providers' Confirmation, respectively,

provided in each case that the Representatives of ACF Providers shall disregard (i) ACF Providers who are Non-Restricted Group Entities or (ii) Opt-out ACF Providers in giving the aforementioned confirmation to the Obligor Security Trustee.

Restructuring

The Obligor Security Trustee will in certain circumstances concur in making modifications to the Obligor Transaction Documents for an Accepted Restructuring Purpose or in order to effect Proposed Non-UK Structural Changes (see "— *Restructuring of the Security Group and the Estate*", page 99, above).

Notwithstanding the above, if any part of the Proposed Restructuring Modifications or the Proposed Non-UK Obligor Modifications also constitutes any Basic Terms Modification, the Obligor Security Trustee shall not concur in making such Proposed Restructuring Modifications or the Proposed Non UK Obligor Modifications unless the conditions for the Obligor Security Trustee to concur in making a Basic Terms Modification (as set out in the section entitled "— *Basic Terms Modifications*", page 183, above) are satisfied.

Furthermore, if any part of the Proposed Restructuring Modifications or the Proposed Non-UK Obligor Modifications involves a modification over which a Blocking Right has been given in respect of such modification, the Obligor Security Trustee shall not concur in making such Proposed Restructuring Modifications or the Proposed Non-UK Obligor Modifications (as the case may be) if such Blocking Right has been exercised (see "— *Blocking Rights*", page 197, below).

If the Obligor Security Trustee has not received the necessary confirmation(s) from the Rating Agency (or Rating Agencies, as applicable) that the Ratings Test has been satisfied in respect of the Proposed Restructuring Modifications or the Proposed Non-UK Obligor Modifications (or the Obligors have not sought such confirmation), then neither the Obligor Security Trustee nor the Note Trustee shall concur in making, or be obliged to effect in any way, such modification unless the conditions as set out in "— *No confirmation from Rating Agencies*", page 186, above have been satisfied.

Modification and waiver of the Financial Covenant

The Security Trust and Intercreditor Deed will provide that the Obligor Security Trustee shall not concur in making a modification to, or grant a waiver in respect of a breach or a proposed breach of the Financial Covenant unless (and then only if no Blocking Right in relation thereto has been exercised) it has been instructed by a Secured Creditor Instruction duly approved at a Debtholders' Meeting.

Such a proposed Secured Creditor Instruction shall be approved if more than 50% of the votes (determined on a pound-for-pound basis by Principal Amounts Outstanding (see the section entitled "— *Pound-for-pound voting*", page 196, below)) cast in the Debtholders' Meeting by Representatives of all Debtholders (being the "**Qualifying Debtholders**" for the purposes of such Debtholders' Meeting) are in favour of such proposed Secured Creditor Instruction and shall be binding on all Obligor Secured Creditors (subject to the section entitled "— *Conflict of Interest*", page 198, below).

Other modifications, consents or waivers

The Security Trust and Intercreditor Deed will provide that the Obligor Security Trustee may in its discretion concur in making any other modification to, give any other consent under, or grant any other waiver in respect of any breach or a proposed breach of any Obligor General Transaction Document if:

(a) in its opinion, it is required to correct a manifest error, or an error in respect of which an English court could reasonably be expected to make a rectification order, or it is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification; or

(b) such modification, consent or waiver is not, in the opinion of the Obligor Security Trustee, materially prejudicial to the interests of the Most Senior Class of Debtholders.

However, the Obligor Security Trustee shall not concur in making a modification, give any consent or grant any waiver in respect of any breach or potential breach of any Obligor General Transaction Document if a Blocking Right has been given in respect of such modification, waiver or consent and such Blocking Right has been exercised, or if the matter constitutes a Basic Terms Modification, a Rating Affirmed Matter, is made pursuant to an Accepted Restructuring Purpose or a Proposed Non UK Structural Change or if it constitutes a modification or waiver of the Financial Covenant.

In exercising its discretion to concur in making such modification to, give such consent under, or grant such waiver in respect of any breach or proposed breach of, any Obligor General Transaction Document, the Obligor Security Trustee shall be entitled to have regard to the Ratings Test if, in any particular circumstance, it considers that the Ratings Test is an appropriate test or the only appropriate test to apply in that particular circumstance in exercising such discretion.

Furthermore, if neither (a) nor (b) above applies, the Obligor Security Trustee shall (subject to the exercise of any Blocking Rights and the provisions relating to Basic Terms Modifications, Rating Affirmed Matters, Accepted Restructuring Purpose and Proposed Non-UK Structural Changes, and modifications or waivers of the Financial Covenant) concur in making any modification to, give any consent under or grant any waiver in respect of any Obligor Transaction Document, provided that:

(i) (if there is any Class of Noteholders that is part of the Most Senior Class of Debtholders) the Note Trustee has confirmed to the Obligor Security Trustee that such Class of Noteholders has duly passed an Extraordinary Resolution approving such modification, consent or waiver; and

(ii) (if any ACF Provider is a member of the Most Senior Class of Debtholders) each Representative of any ACF Provider who is a member of the Most Senior Class of Debtholders has confirmed to the Obligor Security Trustee by way of an ACF Providers' Confirmation that it has been duly instructed by the ACF Provider (or the requisite instructing group of ACF Providers) in accordance with the relevant ACF Agreement to approve such modification, consent or waiver (provided that the Representatives of ACF Providers shall disregard (i) ACF Providers who are Non Restricted Group Entities or (ii) Opt-out ACF Providers in giving the aforementioned confirmation to the Obligor Security Trustee).

Otherwise than pursuant to the Security Trust and Intercreditor Deed or the Common Terms Agreement, and in accordance with the restrictions therein contained, all as described above, no modifications may be made, or waivers or consents given in respect of, the Obligor General Transaction Documents. This is without prejudice to (i) the restrictions described above relating more broadly to all Obligor Transaction Documents, whether or not Obligor General Transaction Documents, and (ii) the modification of any Obligor Transaction Document (other than an Obligor General Transaction Document) by agreement amongst the parties thereto provided such is not restricted by the Security Trust and Intercreditor Deed.

If any modifications to the Common Terms Agreement and/or the Security Trust and Intercreditor Deed are made in accordance with the above provisions, the Obligor Security Trustee is authorised by all relevant Obligor Secured Creditor(s) to execute the modifying documentation on its or their behalf (and such execution shall bind all relevant Obligor Secured Creditors).

Loan Enforcement Notice and Enforcement Action

The Security Trust and Intercreditor Deed provides that, following the occurrence of any Enforcement Trigger Event (as defined below) and whilst it is continuing (or, in the case of any Enforcement Trigger Event other than a failure to pay any amount due in respect of Priority 2 Debt as mentioned in paragraph (a)(iii) below, whilst such Enforcement Trigger Event is continuing as

at the most recent Tier Test Calculation Date or Additional Calculation Date (whichever is the most recent)), the Obligor Security Trustee shall, if instructed to do so by a Secured Creditor Instruction, deliver a Loan Enforcement Notice and, following the delivery of such Loan Enforcement Notice, take any Enforcement Action.

During an Enforcement Period, the whole of the Obligor Security shall become enforceable provided that, if the commencement of an Enforcement Period is due to the delivery of a Loan Enforcement Notice pursuant to a P2 Trigger Event, the STID Floating Security and the OFCA Floating Security shall not become enforceable unless and until the delivery of a Loan Enforcement Notice pursuant to a P1 Trigger Event or an Obligor Event of Default.

When the Obligor Security Trustee has actual notice of any Enforcement Trigger Event, it shall convene a Debtholders' Meeting, at which the relevant Qualifying Debtholders (as defined below) may decide whether to instruct the Obligor Security Trustee to deliver a Loan Enforcement Notice and/or take any Enforcement Action.

Further details concerning the enforceability of the OFCA Floating Security and the taking of Enforcement Action in respect thereof are set out in the section entitled "*— Floating charges held by the Obligor Security Trustee and the Issuer*", page 176, above.

The "**Enforcement Trigger Events**" are:

(a) if there is any Priority 2 Debt outstanding:

(i) as of a Tier Test Calculation Date or an Additional Calculation Date, the LTV (or Additional LTV, as the case may be) calculated as of that day (ignoring for the purposes of such calculation all Financial Indebtedness other than outstanding Priority 1 Debt and Priority 2 Debt) exceeds 85%;

(ii) as of a Tier Test Calculation Date or an Additional Calculation Date, the Projected ICR (or Additional Projected ICR, as the case may be) calculated as of that day (ignoring for the purposes of such calculation all Financial Indebtedness other than outstanding Priority 1 Debt and Priority 2 Debt) is equal to or less than 1.15:1; or

(iii) an Obligor fails to pay when due any amount in respect of any Priority 2 Debt (excluding, in the case of any principal amounts, amounts falling due by reason of any Acceleration of the Priority 2 Debt) (a "**P2 Non-Payment Event**") provided that no such P2 Non-Payment Event shall occur if the due amount is paid within ten Business Days of its due date,

(each a "**P2 Trigger Event**"); or

(b) if there is any Priority 1 Debt outstanding as of a Tier Test Calculation Date or an Additional Calculation Date:

(i) the LTV (or Additional LTV, as the case may be) calculated as of that day (ignoring for the purposes of such calculation all Financial Indebtedness other than outstanding Priority 1 Debt) exceeds 85%;

(ii) the Projected ICR (or Additional Projected ICR, as the case may be) calculated as of that day (ignoring for the purposes of such calculation all Financial Indebtedness other than outstanding Priority 1 Debt) is equal to or less than 1.15:1; or

(iii) the LTV (or Additional LTV, as the case may be) calculated as of that day (ignoring for the purposes of such calculation all Financial Indebtedness other than outstanding Priority 1 Debt and Priority 2 Debt) exceeds 100%,

(each a "**P1 Trigger Event**"); or

(c) the occurrence of an Obligor Event of Default other than a P2 Non-Payment Event (for the avoidance of doubt, a failure to pay any amount which would have been a P2 Non-Payment Event but for the exception provided under paragraph (a)(iii) above shall nonetheless be an Obligor Event of Default if such failure to pay falls within paragraph (a) of the definition of "**Obligor Event of Default**").

Notwithstanding any Secured Creditor Instruction, unless and until the Obligor Security Trustee is instructed to deliver a Loan Enforcement Notice and/or take such Enforcement Action as instructed (and is indemnified and/or secured to its satisfaction), it shall not be under any obligation to do so.

The Obligor Security Trustee shall deliver a Loan Enforcement Notice if:

(a) in respect of a Loan Enforcement Notice proposed to be delivered pursuant to a P1 Trigger Event or a P2 Trigger Event, the Obligor Security Trustee convenes separate Debtholders' Meetings for the P1 Debtholders and the P2 Debtholders and more than 66 2/3% of votes cast by P1 Debtholders are in favour and/or more than 66 2/3% of votes cast by P2 Debtholders are in favour of such Secured Creditor Instruction; or

(b) in any other case, if more than 66 2/3% of votes cast by the Most Senior Class of Debtholders are in favour of such Secured Creditor Instruction,

where voting is determined in each case on a pound-for-pound basis by reference to the Principal Amounts Outstanding (see the section entitled "— *Pound-for-pound voting*", page 196, below) (subject to "— *Conflict of Interest*", page 198, below).).

Following the delivery of a Loan Enforcement Notice, the Obligor Security Trustee shall take such Enforcement Action (including, *inter alia*, the appointment of any Receiver in respect of the Obligor Security held by it (or refrain from doing so) and the granting of consent by the Obligor Security Trustee to an administrative receiver appointed by the Note Trustee for dealings by such administrative receiver in respect of assets over which such administrative receiver is appointed and, if necessary, the release of such assets from the STID Floating Security) as instructed by a Secured Creditor Instruction approved in a Debtholders' Meeting, with more than 66 2/3% of the

votes (determined on a pound-for-pound basis by Principal Amounts Outstanding (see the section entitled *"— Pound-for-pound voting*", page 196, below) cast in the Debtholders' Meeting by Representatives of the relevant Qualifying Debtholders (but subject to the section entitled "— *Conflict of Interest*", page 198, below).)).

The "**Qualifying Debtholders**" for the purpose of a Debtholders' Meeting for approving any proposed Secured Creditor Instruction for the taking of any Enforcement Action are:

(a) following the delivery of a Loan Enforcement Notice delivered pursuant to the occurrence of a P2 Trigger Event (for so long as there is any Priority 2 Debt outstanding), the P2 Debtholders until:

  (i) the delivery of a Loan Enforcement Notice delivered pursuant to the occurrence of a P1 Trigger Event (if there is any Priority 1 Debt outstanding at such time), when the Qualifying Debtholders become the P1 Debtholders; or

  (ii) the delivery of a Loan Acceleration Notice, when the Qualifying Debtholders become the Most Senior Class of Debtholders;

(b) following the delivery of a Loan Enforcement Notice delivered pursuant to the occurrence of a P1 Trigger Event (if there is any Priority 1 Debt outstanding at such time), the P1 Debtholders; and

(c) following the delivery of a Loan Enforcement Notice in any other case (including upon the occurrence of any Obligor Event of Default other than a P2 Non-Payment Event), the Most Senior Class of Debtholders (unless a Loan Enforcement Notice has previously been delivered pursuant to a P2 Trigger Event, in which case the Qualifying Debtholders continue to be the P2 Debtholders until such time as described in paragraph (a) or (b) above).

If any Receiver appointed pursuant to a Secured Creditor Instruction wishes to consult the Obligor Security Trustee on the conduct of the receivership, it may do so provided that the Obligor Security Trustee shall only be obliged so to consult if it is instructed by a Secured Creditor Instruction from the Qualifying Debtholders (from time to time).

P2 Enforcement Period

In respect of any Secured Creditor Instruction (given by the P2 Debtholders) following the occurrence of a P2 Trigger Event appointing any Receiver(s) and instructing such Receiver(s) to dispose of any Mortgaged Property, the Security Trust and Intercreditor Deed shall set out certain instructions which any Receiver(s) are required to comply with to seek to ensure that it/they act(s) prudently and in the interests of all Obligor Secured Creditors.

During a P2 Enforcement Period, any Receiver appointed shall be required to devise, and report as soon as reasonably practicable to the Representatives of all Debtholders on, a plan for the orderly disposal of Mortgaged Properties (and related Intellectual Property Rights) and the prepayment or repayment of Priority 1 Debt and Priority 2 Debt (and items appearing above them in the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments) sufficient to

reduce the LTV to less than 80%, to increase the Projected ICR to at least 1.2:1 and to increase Historical ICR or the Pro Forma Historical ICR to at least 1.2:1.

A Receiver appointed during a P2 Enforcement Period shall have all the powers given to him pursuant to the Security Trust and Intercreditor Deed or otherwise, provided that while the Receiver is implementing the disposal plan, it shall exercise those powers only in respect of the Mortgaged Properties and the Intellectual Property Rights, and only to the extent necessary to carry out such plan.

Removal of a Receiver

The Obligors are entitled to require that any Receiver appointed by the Obligor Security Trustee in respect of any Obligor's assets pursuant to a P2 Trigger Event be removed from office if:

(a) there is no longer any Enforcement Trigger Event and no Obligor Event of Default which is continuing unwaived; and

(b) pursuant to the Tier Tests carried out on the latest Tier Test Calculation Date the LTV was no more than 80%, the Projected ICR was at least 1.2:1 and the Historical ICR or the Pro Forma Historical ICR was at least 1.2:1.

If two directors of the Principal Obligor certify to the Obligor Security Trustee as mentioned in (a) and (b) above, the Obligor Security Trustee shall, as soon as practicable and in consultation with the Principal Obligor, remove such Receiver from office, at which time the Enforcement Period shall end.

Acceleration of Secured Obligations

The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee shall (if instructed to do so by a Secured Creditor Instruction) Accelerate all Secured Obligations (with the exception of Swap Transactions, provided that certain other conditions are met (as detailed in the section entitled "Termination" below)), by giving a Loan Acceleration Notice to the Obligors, following the occurrence of a P1 Trigger Event (if there is any Priority 1 Debt outstanding) and whilst such P1 Trigger Event is continuing as at the most recent Tier Test Calculation Date or Additional Calculation Date (whichever is the most recent) or if an Obligor Event of Default shall have occurred and whilst it is continuing.

Unless and until the Obligor Security Trustee is instructed to deliver a Loan Acceleration Notice (and is indemnified and/or secured to its satisfaction), it shall not be under any obligation to do so.

A proposed Secured Creditor Instruction to instruct the Obligor Security Trustee to deliver a Loan Acceleration Notice shall be approved following the occurrence of a P1 Trigger Event (if there is any Priority 1 Debt Outstanding) or if an Obligor Event of Default has occurred and whilst it is continuing, shall be approved if more than 50% of the votes (determined on a pound-for-pound basis by reference to Principal Amounts Outstanding (see the section entitled "— *Pound-for-pound voting*", page 196, below)) cast in the Debtholders' Meeting by Representatives of the Most Senior Class of Debtholders (being the "**Qualifying Debtholders**" for the purposes of such

Debtholders' Meeting) are in favour of such proposed Secured Creditor Instruction and shall be binding on all Obligor Secured Creditors (subject to the section entitled "— *Conflict of Interest*", page 198, below).).

P1 ICL Call Option

The Security Trust and Intercreditor Deed provides that the Issuer and the Note Trustee shall grant a call option in favour of the Obligor Security Trustee (to be held on trust for the benefit of those ACF Providers from time to time providing ACF Loans constituting Priority 2 Debt (the "**P2 ACF Providers**")). Such call option (the "**P1 ICL Call Option**") is exercisable following the delivery of a Loan Acceleration Notice. The P1 ICL Call Option gives the P2 ACF Providers the entitlement (but not the obligation) to purchase (by way of novation to the Exercising ACF Providers (as defined below) or any nominated entity approved by the Exercising ACF Providers) the Issuer's (and the Note Trustee's) rights, title and interest in all (but not some only) ICL Loans corresponding to Priority 1 Notes (the "**Priority 1 ICL Loans**") (to the extent of principal and interest, but excluding the Issuer's rights to any Ongoing Facility Fee, which will continue to be held by the Issuer (and assigned to the Note Trustee by way of security)), at their Principal Amount Outstanding plus accrued but unpaid interest up to (but excluding) the date of mandatory redemption of the Priority 1 Notes (see below).

The Security Trust and Intercreditor Deed provides that any one or more P2 ACF Providers (the "**Exercising ACF Providers**"), may (through their Representative(s)) exercise the P1 ICL Call Option, whereupon the Exercising ACF Providers shall be obliged to purchase all Priority 1 ICL Loans outstanding. Once the Exercising ACF Providers (through their Representative(s)) have approved the exercise of the P1 ICL Call Option, the Obligor Security Trustee shall, following receipt of all funds required for the exercise of the P1 ICL Call Option, instruct the Issuer and the Note Trustee to assign their rights, title and interest in the Priority 1 ICL Loans (to the extent of any rights, title and interest in principal and interest) to the Exercising ACF Providers (or its nominated entity) against receipt of the exercise price and if there are more than one Exercising ACF Providers, *pro rata* according to the portion of the Exercise Price paid by each Exercising ACF Provider.

Upon the exercise of the P1 ICL Call Option, funds received by the Issuer from the exercise of the P1 ICL Call Option shall be applied towards mandatory redemption of all Priority 1 Notes in accordance with Condition 8(e) (*Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*).

Noteholders holding Priority 1 Notes shall, by virtue of the mandatory redemption as described above, no longer be Qualifying Debtholders. The persons acquiring the Priority 1 ICL Loans shall then become Qualifying Debtholders in respect of the Principal Outstanding Amounts in respect of such loans, save that such loans shall be treated as Priority 1 ACF Loans for such purposes. The Issuer (and the Note Trustee, as assignee by way of security), following the exercise of the P1 ICL Call Option, will continue to have claims against the Security Group in respect of the Ongoing Facility Fee, as well as any ICL Loans other than the Priority 1 ICL Loans.

Removal of the Obligor Security Trustee

The Security Trust and Intercreditor Deed provides that the Obligor Security Trustee may be removed by way of a Secured Creditor Instruction. However, the removal shall not be effective until a successor trustee (such successor trustee must be a trust corporation or a professional corporate trustee of repute) is appointed (after consultation with the Obligors) either by way of a Secured Creditor Instruction or, in certain circumstances, by the outgoing Obligor Security Trustee.

Such proposed Secured Creditor Instruction shall be approved if more than 50% of the votes (determined on a pound-for-pound basis (see the section entitled "— *Pound-for-pound voting*", page 196, below, by reference to Principal Amounts Outstanding)) cast in the Debtholders' Meeting by Representatives of the Most Senior Class of Debtholders (being the "**Qualifying Debtholders**" for the purposes of such Debtholders' Meeting) are in favour of such proposed Secured Creditor Instruction and shall be binding on all Obligor Secured Creditors (subject to the section entitled "— *Conflict of Interest*", page 198, below).).

Secured Creditor Instructions and Debtholders' Meetings

The Security Trust and Intercreditor Deed provides that a Secured Creditor Instruction is the mechanism used to instruct the Obligor Security Trustee to concur to a modification or to grant a waiver of the Financial Covenant, the delivery of a Loan Enforcement Notice or a Loan Acceleration Notice by the Obligor Security Trustee, the taking of Enforcement Action including giving directions regarding the conduct of any receivership and the withdrawal of any notice given by the Obligor Security Trustee to convert the STID Floating Security into fixed charges (as permitted by the terms of the Security Trust and Intercreditor Deed) and the removal of the Obligor Security Trustee and the appointment of a successor thereof.

The Security Trust and Intercreditor Deed provides that a proposed Secured Creditor Instruction will become effective if it is approved in a Debtholders' Meeting (or, if required, each separate Debtholders' Meeting (see the section entitled "— *Conflict of Interest*", page 198, below)) by the relevant Qualifying Debtholders (see the foregoing paragraphs for the identity of the Qualifying Debtholders in each case).

A Debtholders' Meeting may be convened by any Obligor, the Obligor Security Trustee or upon request in writing to the Obligor Security Trustee, the Issuer, the Note Trustee, any ACF Provider(s) providing ACF Loans having aggregate Principal Amount Outstanding of at least 10% of the aggregate Principal Amounts Outstanding of all ACF Loans then outstanding (the "**Aggregate ACF PAO**"), or any Noteholder(s) holding Notes (through an instruction to the Note Trustee) with an aggregate Principal Amount Outstanding of at least 10% of the aggregate Principal Amount Outstanding of all Notes then outstanding (the "**Aggregate Notes PAO**") (provided that in each case the ACF Providers or the Noteholders (as the case may be) must provide or hold not less than 5% of the sum of the Aggregate Notes PAO and the Aggregate ACF PAO).

The Obligor Security Trustee shall give 21 clear days' notice to all Representatives of the relevant Qualifying Debtholders of any Debtholders' Meetings (including the Note Trustee, as the Representative for Noteholders who are Qualifying Debtholders) and the proposed Secured

Creditor Instruction to be voted on thereat. If the proposed Secured Creditor Instruction involves a matter which is affected by a Blocking Right, the Obligor Security Trustee shall give notice of such Debtholders' Meeting only after the expiry of the period for the exercise of the relevant Blocking Right, or the notification from all ACF Providers entitled to exercise such Blocking Right (through their Representative) to the Obligor Security Trustee that the relevant Blocking Right will not be exercised, whichever is the earlier. The Obligor Security Trustee will give notice of the proposal to the holders of Blocking Rights promptly after the relevant request for the convening of a Debtholders' Meeting.

Such proposed Secured Creditor Instruction shall (absent the exercise of an applicable Blocking Right) be approved if the requisite percentage of votes cast in the relevant Debtholders' Meeting by Representatives of the relevant Qualifying Debtholders are in favour of such proposed Secured Creditor Instruction, provided that, if there are Noteholders who are Qualifying Debtholders, such proposed Secured Creditor Instruction shall only be approved if the Note Trustee confirms to the Obligor Security Trustee that the quorum requirement for a meeting of Noteholders convened to instruct the Note Trustee to vote in a Debtholders' Meeting has been met (that is, one or more persons holding or representing Notes having an aggregate Principal Amount Outstanding of no less than 25% of each relevant Sub-Class of Notes or, at any adjourned meeting of Noteholders, one or more persons being or representing Noteholders, whatever the principal amount of the relevant Notes held or represented (see Condition 15(d) (*Substitution of the Issuer*) of the Notes) (the "**Quorum Requirement**")). If the Notes are in global form and no physical meeting of the relevant Noteholders is held, the Quorum Requirement will be satisfied if the Note Trustee has received instructions from the relevant Noteholders in a principal amount at least equal to the relevant Quorum Requirement. Such instructions will be given to the Note Trustee through the clearing systems in accordance with the Trust Deed.

Pound-for-pound voting

In a Debtholders' Meeting, voting by Qualifying Debtholders shall be determined on a pound for pound basis by Principal Amounts Outstanding then owed to the relevant Qualifying Debtholders, so that all votes in favour of the proposal and against the proposal (across Noteholders and ACF Providers), irrespective of whether a majority of Noteholders or ACF Providers are in favour of or against the proposal, are considered on an aggregated basis.

Although the Issuer is an Obligor Secured Creditor of the Security Group in respect of its Secured Obligations (being the ICL Loans provided to FinCo under the Intercompany Loan Agreement), pursuant to the Issuer Deed of Charge, the Issuer has assigned by way of security its interest in the ICL Loans and the security therefor to the Note Trustee for the benefit of, *inter alios*, the Noteholders. Therefore the Security Trust and Intercreditor Deed provides that certain Class or Classes of Noteholders (to the extent that they are Qualified Debtholders and subject to the next paragraph) will be able to vote in Debtholders' Meetings rather than the Issuer. The Security Trust and Intercreditor Deed also provides that ACF Providers (to the extent they are Qualifying Debtholders and subject to the next paragraph) can vote in Debtholders' Meetings, but no other Obligor Secured Creditor shall be entitled to vote in any Debtholders' Meeting.

The Qualifying Debtholders will vote at a Debtholders' Meeting through their Representatives. The Note Trustee shall act as the Representative of the relevant Noteholders in any Debtholders'

Meeting. The Representatives of the ACF Providers shall be designated in the relevant ACF Agreement and Creditor Accession Deed.

If any Noteholder is a Qualifying Debtholder in any Debtholders' Meeting, then for the purpose of voting in the Debtholders' Meeting, the Note Trustee (pursuant to the Conditions and Trust Deed) shall convene a meeting of Noteholders of any relevant Class or Sub-Class of Notes to consider any proposed Secured Creditor Instruction to be voted on at such Debtholders' Meeting and to instruct the Note Trustee to vote on the relevant proposal (see Condition 15(b) (*Debtholders' Meetings*). The Note Trustee shall then vote in accordance with the instructions given at the meeting of Noteholders as instructed by the relevant Noteholders, irrespective of whether the votes in favour of (or against) the proposal form a majority as between Noteholders.

If a Representative is representing more than one ACF Provider in a Debtholders' Meeting relating to a proposed Secured Creditor Instruction, it shall also vote in favour of and against the relevant proposed Secured Creditor Instruction, as instructed by the ACF Providers in accordance with the relevant ACF Agreement.

If any Note held by any Qualifying Debtholder or any ACF Loan provided by any Qualifying Debtholder is denominated in any currency other than sterling, the Obligor Security Trustee shall, for the purpose of determining votes cast in a Debtholders' Meeting, determine the exchange rate to convert the Principal Amount Outstanding of such Note or ACF Loan into sterling, such exchange rate being the most recent exchange rate for converting the ICL Loan corresponding to the relevant Note or the ACF Loan into sterling for the purpose of calculating the Security Group Net Debt Outstanding (see "— *Currency Conversion Rates and Unhedged Sterling Interest Charges*", page 133, above).

Blocking Rights

An Obligor may grant to any ACF Provider, under any ACF Agreement, rights of veto ("**Blocking Rights**") in respect of any modification, consent or waiver which may otherwise be made, granted or given under the Common Terms Agreement (including positive and negative covenants) and the Security Trust and Intercreditor Deed, and FinCo has granted to the Existing ACF Providers under the Existing ACF Agreement certain such Blocking Rights. Where a Blocking Right has been granted, the Obligor Security Trustee shall not concur in making any modification, give any consent, or grant any waiver in respect of breaches or potential breaches which may otherwise be made or given by the Obligor Security Trustee if the relevant ACF Providers have exercised such Blocking Right (by notifying the Obligor Security Trustee (through its Representative) of its objection to the proposed modification, consent or waiver within 14 days of notification from the Obligor Security Trustee or an Obligor regarding the proposal for such modification, consent or waiver).

If an Obligor has agreed that it will notify any Representative of an ACF Provider which has been granted a Blocking Right of any proposal by such Obligor which would entitle such ACF Provider to exercise such Blocking Right, it shall notify the Obligor Security Trustee at the same time as it notifies such ACF Provider.

Any such Blocking Right may, in accordance with the relevant ACF Agreement, be exercisable by any ACF Provider, by a requisite majority of ACF Providers or by every ACF Provider unanimously, in each case in accordance with the relevant ACF Agreement.

In order for such Blocking Right to be effective, such ACF Agreement shall state that such Blocking Right has been provided pursuant to the Security Trust and Intercreditor Deed, and the relevant Obligor together with the relevant ACF Provider shall notify the Obligor Security Trustee jointly in writing of the Blocking Right(s) which has/have been provided to the relevant ACF Provider(s).

In addition, the Obligors have granted the Swap Counterparties and the Liquidity Facility Providers the specific rights described in "*Specific rights for Swap Counterparties and Liquidity Facility Providers*", page 184, above and any references to Blocking Rights in this document shall include such specific rights.

Any purported modification made, waiver granted or consent given in respect of the Obligor Transaction Documents will not be valid if a Blocking Right has been exercised in accordance with the terms of the Security Trust and Intercreditor Deed.

Conflict of Interest

In situations where the Qualifying Debtholders for a Debtholders' Meeting consist of both Noteholders and ACF Providers or of different Classes or Sub-Classes of Debtholders, which, in the opinion of the Obligor Security Trustee, gives or may give rise to a conflict of interest between such Qualifying Debtholders, it may, in its discretion, convene separate Debtholders' Meetings in respect of each Class of Qualifying Debtholders, each Class of Noteholders, or each Class of ACF Providers (or, in each case, each Sub-Class thereof (if any)). In such circumstances, a proposed Secured Creditor Instruction shall only be approved if, in lieu of being approved at a single Debtholders' Meeting, it is duly approved (by the same requisite majority as applies to the single Debtholders' Meeting) at separate Debtholders' Meetings of each Class of Qualifying Debtholders, Noteholders or ACF Providers (or, as the case may be, each Sub-Class thereof (if any)).

Security Group Priority of Payments

Security Group Pre-Enforcement Priority of Payments

Under the Security Trust and Intercreditor Deed, each Obligor agrees that, prior to the enforcement of the Obligor Security, the Security Group will not:

(a) on any day where there is a Shortfall (as defined below), pay any item in the Security Group Pre-Enforcement Priority of Payments unless and until it has paid in full, and to the extent the same has fallen due and payable on or before that day, each item that appears above the relevant item; or

(b) on any day, pay any sum in respect of the last item in the Security Group Pre-Enforcement Priority of Payments unless and until it has paid in full, to the extent the same has fallen

due and payable on or before that day, each other item in the Security Group Pre-Enforcement Priority of Payments,

provided that it is not necessary for the Obligors to pay amounts due and payable on any given day described in paragraph (e) below before paying any other amount due and payable in the Security Group Pre-Enforcement Priority of Payments on the same day, if the Obligors would still be able to pay such amounts with Available Cash (as defined below) after paying any such other amount on that day.

For the purpose of the Security Group Pre-Enforcement Priority of Payments, a "**Shortfall**" means in respect of the Security Group Pre-Enforcement Priority of Payments a shortfall in Available Cash as compared to the aggregate amount due and payable on the day in question in respect of each item (other than the last item) in the Security Group Pre-Enforcement Priority of Payments.

"**Available Cash**" means on any day all amounts (other than Swap Excluded Amounts) that can be, and are, drawn that day from loan facilities which may be applied and the sum of all credit balances on all Obligor Accounts to the extent available to be withdrawn in accordance with the Obligor Transaction Documents, in each case for the purpose of making payments in respect of the Security Group Pre-Enforcement Priority of Payments. To the extent that funds in certain Obligor Accounts may be withdrawn for the purpose of paying a particular item in the Security Group Pre-Enforcement Priority of Payments (see "— *Special Provisions Concerning Obligor Accounts*", page 153, above), the Obligor shall be entitled to apply such funds as withdrawn as Available Cash towards payment of such particular item only.

The Security Group Pre-Enforcement Priority of Payments provides for Available Cash to be applied by the Cash Manager in the following order of priority in and towards satisfaction of the following items:

(a) *first*: amounts due and payable by LSF to any Non-Restricted Group Entity in respect of any Rental Loans;

(b) *second*:

(i) the Fees and Expenses due and payable by the Obligors to the Obligor Security Trustee under any Obligor Transaction Document;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligation to pay the Fees and Expenses which have become due and payable to the Note Trustee under the Issuer Transaction Documents; and

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligation to lend to each Additional Obligor an amount of £1,000 by way of deferred loan pursuant to the Obligor Floating Charge Agreement;

(c) *third*:

(i) prior to the delivery of a Note Enforcement Notice only, an amount by way of Ongoing Facility Fee equal to (1) the amounts which have become due and payable by the Issuer to third parties (including any Tax Authority) at item (b) of the Issuer Pre Enforcement Priority of Payments (but only, in relation to any liability to pay United Kingdom corporation tax, to the extent that the Issuer has insufficient profits to discharge that payment in full) incurred in the course of the Issuer's business and (2) any other sum which the Issuer is required to pay which is not specifically referred to in this Security Group Priority of Payments; and

(ii) any amounts due and payable by the Obligors in respect of all United Kingdom corporation tax and other tax for which, in either case, any of the Obligors is primarily liable;

(d) *fourth*:

(i) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar which have become due and payable under the Agency Agreement;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Account Bank and any Replacement Cash Manager which have become due and payable under the Account Bank and Cash Management Agreement;

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of any Class R Agent which have become due and payable under any Class R Underwriting Agreement;

(iv) the Fees and Expenses due and payable by the Obligors to the Account Bank and any Replacement Cash Manager under the Account Bank and Cash Management Agreement;

(v) the Fees and Expenses due and payable by the Obligors to any Facility Agent and any arrangers under any ACF Agreement or any Liquidity Facility Agreement;

(vi) the Fees and Expenses due and payable by the Obligors to any Property Manager; and

(vii) the Fees and Expenses due and payable by the Obligors to the Replacement Servicer under the Servicing Agreement;

(e) *fifth*: to the extent the same fall due in the course of their businesses, any amounts which have become due and payable by the Obligors in respect of their operating costs and expenses (other than as provided elsewhere in this priority of payments), including but not limited to:

(i) amounts due and payable to the Servicer under the Servicing Agreement for servicing the Security Group;

(ii) amounts due and payable to the Servicer in relation to the secondment of staff to the Security Group for the management of the Mortgaged Properties; and

(iii) amounts due and payable in respect of any Servicer Loan;

(f) *sixth*: any interest due and payable by the Obligors in respect of any Unsecured Debt (but excluding any Unsecured Debt owed to any Non-Restricted Group Entity);

(g) *seventh*: principal, interest and any amounts other than as provided elsewhere in this priority of payments due and payable by FinCo to any Liquidity Facility Provider under any Liquidity Facility Agreement (but excluding any Liquidity Facility Subordinated Amounts);

(h) *eighth*: any amount due and payable by an Obligor to any Swap Counterparty under any Swap Agreement, provided that this item (h) excludes:

(i) any Swap Termination Amounts;

(ii) any Swap Subordinated Amounts; and

(iii) any amount due and payable pursuant to a Swap Excluded Obligation;

(i) *ninth*:

(i) any interest due and payable in respect of the Priority 1 Debt;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay any underwriting fee due and payable to any Class R Underwriters under any Class R Underwriting Agreement;

(iii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 1 Debt; and

(iv) any Swap Termination Amounts to the extent not satisfied by any premium received by the relevant Obligor from a replacement swap counterparty providing a replacement Swap Transaction,

provided that this item (i) excludes any Priority 1 Debt Step-Up Amounts;

(j) *tenth*:

(i) any interest due and payable in respect of the Priority 2 Debt;

(ii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 2 Debt,

provided that this item (j) excludes any Priority 2 Debt Step-Up Amounts;

(k) *eleventh*: any amount required to be Prepaid by the Obligors in or towards Mandatory Prepayment of Loans as required by any Mandatory Prepayment Provision (see "— *Prepayment of Non-Contingent Loans*", page 115, et seq. above) and in accordance with the Sequential Prepayment Regime);

(l) *twelfth*:

(i) any principal due and payable by the Obligors in respect of any Priority 1 Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 1 Debt,

provided that this item (l) excludes:

(1) principal falling due prematurely in respect of Priority 1 Debt otherwise than by reason of Acceleration or amounts required to be Prepaid under the Mandatory Prepayment Provision;

(2) any premium due and payable in respect of Priority 1 Debt as a result of Prepayment of any Loan; and

(3) any Priority 1 Debt Step-Up Amounts;

(m) *thirteenth*:

(i) any principal due and payable by the Obligors in respect of any Priority 2 Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 2 Debt,

provided that this item (m) excludes:

(1) principal falling due prematurely in respect of Priority 2 Debt otherwise than by reason of Acceleration or amounts to be Prepaid under the Mandatory Prepayment Provision;

(2) any premium due and payable in respect of Priority 2 Debt as a result of Prepayment of any Loan; and

(3) any Priority 2 Debt Step-Up Amounts;

(n) *fourteenth*, any interest due and payable in respect of the Subordinated Debt (but excluding the Subordinated Debt Subordinated Amounts);

(o) *fifteenth*:

(i) any principal due and payable by the Obligors in respect of any Subordinated Debt; and

(ii) all amounts due and payable by the Obligors in respect of any Subordinated Debt (other than as provided elsewhere in this priority of payments) (including any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Subordinated Debt),

provided that this item (o) excludes:

(1) principal falling due prematurely in respect of Subordinated Debt otherwise than by reason of Acceleration;

(2) any premium due and payable in respect of Subordinated Debt as a result of Prepayment of any Loan; and

(3) any Subordinated Debt Subordinated Amounts;

(p) *sixteenth*:

(i) any Liquidity Facility Subordinated Amounts due and payable by FinCo; and

(ii) any Swap Subordinated Amounts, to the extent not satisfied by any premium received by the relevant Obligor from a replacement Swap Counterparty providing a replacement Swap Transaction, due and payable by the Obligors;

(q) *seventeenth*: any Priority 1 Debt Step-Up Amounts due and payable by the Obligors;

(r) *eighteenth*: any Priority 2 Debt Step-Up Amounts due and payable by the Obligors;

(s) *nineteenth*: any Subordinated Debt Subordinated Amounts due and payable by the Obligors;

(t) *twentieth*: any amounts that are required to be paid or Prepaid by any Obligor under the Obligor Transaction Documents (other than as provided elsewhere in this priority of payments) including any premium payable as a result of Prepayment of any Loan or any principal falling due prematurely otherwise than by reason of Acceleration; and

(u) *twenty-first*: any other amounts that are permitted to be paid by the Obligors under (or not prohibited from being paid by the Obligors by) the Obligor Transaction Documents (including any Restricted Payments).

Any amount contained in any item above which is indicated to be due and payable shall exclude any amount that has already been paid and, in respect of any amounts which are not Secured Obligations, any amounts which are disputed by the Obligors in good faith. For the avoidance of doubt, an amount is not due and payable on a given day if such amount is merely accruing, and

an amount which is due on a given day but payable within a specified period shall be treated as due and payable upon the expiry of such period.

If there is a Shortfall on any day the Security Group shall pay each item in the Security Group Pre Enforcement Priority of Payments in full, it shall pay such item to the extent it has Available Cash to do so, and where other items are ranked *pari passu* with such item, on a *pro rata* basis together with such item.

Furthermore, if there is a Shortfall on any day, it shall be carried forward to the next day (except to the extent there is a Shortfall in respect of interest amounts due and payable in respect of any Priority 1 Debt, Priority 2 Debt or Subordinated Debt on any day, in which case such Shortfall shall, after being carried forward for 5 Business Days, be carried forward to the next Loan Payment Date in respect of the relevant Loan), and any Available Cash on the next day or the next Loan Payment Date (as the case may be) shall be applied towards amounts due and payable (including the amounts carried forward to that day or date) in accordance with the Security Group Pre-Enforcement Priority of Payments with no change to the priority of the amounts carried forward (unless and until another Security Group Priority of Payments applies, in which case such amounts shall be paid at the new priority level in respect of that item at the relevant time).

If any interest amount is carried forward for any period exceeding five Business Days, the Security Group shall, on any day on which any other amount (the "**relevant amount**") contained in any equal or lower ranking items in the Security Group Pre-Enforcement Priority of Payments is due and payable, reserve for interest accrued from the due date of payment of such interest amount until the date of payment of the relevant amount before the relevant amount may be paid. Any amount so reserved shall be available to be withdrawn on the next Loan Payment Date for the relevant Loan, and shall be applied against the item in respect of which it was reserved.

If any Secured Obligation is not paid as a result of a Shortfall, its deferral in accordance with the foregoing shall not prevent its non-payment constituting an Obligor Event of Default at the end of any applicable grace period.

If an item within the Security Group Pre-Enforcement Priority of Payments contains amounts payable in respect of Subordinated Debt, the precise ranking of Subordinated Debt vis-à-vis any other Subordinated Debt (in respect of the various categories of claims in respect thereof) will be designated in accordance with the Secondary Debt Rank to be made in accordance with the Common Terms Agreement (see "— *Ranking of Financial Indebtedness*", page 106, above).

Security Group Post-Enforcement Priority of Payments – General

During the enforcement of the Obligor Security, any proceeds of enforcement or cash receipts (other than the Swap Excluded Amounts) shall, before the Acceleration of the Secured Obligations and to the extent lawful, be applied towards the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments as set out below. After the Acceleration of the Secured Obligations, any proceeds of enforcement or cash receipts (other than the Swap Excluded Amounts) shall then be applied to the extent lawful in accordance with the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments as set out below.

Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments

Under the Security Trust and Intercreditor Deed, each Obligor Secured Creditor agrees that, after the enforcement of the Obligor Security and prior to the Acceleration of the Secured Obligations, each Obligor Secured Creditor's claims shall rank according to the Security Group Post-Enforcement (Pre Acceleration) Priority of Payments.

All monies received or recovered by the Obligor Security Trustee (or a Receiver appointed by it) in respect of the Obligor Security held by the Obligor Security Trustee and the Guarantees given in favour of the Obligor Security Trustee or otherwise (other than the Swap Excluded Amounts), together with all monies received or recovered by the Note Trustee (or a Receiver appointed by it) and paid to the Obligor Security Trustee, in respect of the enforcement of OFCA Floating Security, shall, subsequent to the enforcement of the Obligor Security and prior to the Acceleration of the Secured Obligations, be applied (to the extent that it is lawfully able to do so) on each Loan Payment Date (or, in the case of items (a) and (c) below, on any day on which such amounts are due and payable or, in the case of item (e) below on any day on which such amounts are due and payable if required to be paid by law or to ensure the continued corporate existence of an Obligor) by or on behalf of the Obligor Security Trustee, or as the case may be any Receiver, in accordance with the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments (and including any amounts of Financial Indebtedness to be Actually Prepaid or Collateralised and any amount to be reserved under item (e) below for servicer fees due to services falling due before or on the next Loan Payment Date) as set out below:

(a) *first*: amounts due and payable by LSF to any Non-Restricted Group Entity in respect of any Rental Loans;

(b) *second*:

(i) the Fees and Expenses due and payable by the Obligors to the Obligor Security Trustee or any Receiver under any Obligor Transaction Document;

(ii) the Fees and Expenses due and payable by the Obligors to the Note Trustee and any Receiver appointed under the Obligor Floating Charge Agreement; and

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay Fees and Expenses which have become due and payable to the Note Trustee and any Receiver appointed under any Issuer Transaction Document;

(c) *third*:

(i) prior to the delivery of a Note Enforcement Notice only, an amount by way of Ongoing Facility Fee equal to (1) the amounts which have become due and payable by the Issuer to third parties (including any Tax Authority) at item (b) of the Issuer Pre Enforcement Priority of Payments (but only, in relation to any liability to pay United Kingdom corporation tax, to the extent that the Issuer has insufficient profits to discharge that payment in full) incurred in the course of the Issuer's business and (2) any other sum which the Issuer is required to pay which is not specifically referred to in this Security Group Priority of Payments; and

(ii) any amount due and payable by the Obligors in respect of all United Kingdom corporation tax and other tax for which, in either case, any of the Obligors is primarily liable;

(d) *fourth*:

(i) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar which have become due and payable under the Agency Agreement;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Account Bank and any Replacement Cash Manager which have become due and payable under the Account Bank and Cash Management Agreement;

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of any Class R Agent which have become due and payable under any Class R Underwriting Agreement;

(iv) the Fees and Expenses due and payable by the Obligors to the Account Bank and any Replacement Cash Manager under the Account Bank and Cash Management Agreement;

(v) the Fees and Expenses due and payable by the Obligors to any Facility Agent and any arrangers under any ACF Agreement or any Liquidity Facility Agreement;

(vi) the Fees and Expenses due and payable by the Obligors to any Property Manager; and

(vii) the Fees and Expenses due and payable by the Obligors to the Replacement Servicer under the Servicing Agreement;

(e) *fifth*: to the extent the same fall due in the course of its business, any amounts due and payable by the Obligors in respect of their operating costs and expenses (other than as provided elsewhere in this priority of payments), including but not limited to:

(i) amounts due and payable to the Servicer under the Servicing Agreement for servicing the Security Group;

(ii) amounts due and payable to the Servicer in relation to the secondment of staff to the Security Group for the management of the Mortgaged Properties; and

(iii) amounts due and payable in respect of any Servicer Loan;

(f) *sixth*: principal, interest and any amounts other than as provided elsewhere in this priority of payments due and payable by FinCo to any Liquidity Facility Provider under any Liquidity Facility Agreement (but excluding any Liquidity Facility Subordinated Amounts);

(g) *seventh*: any amount due and payable by an Obligor to any Swap Counterparty under any Swap Agreement, provided that this item (g)) excludes:

(i) any Swap Termination Amounts;

(ii) any Swap Subordinated Amounts; and

(iii) any amount due and payable pursuant to a Swap Excluded Obligation;

(h) *eighth*:

(i) any interest due and payable in respect of the Priority 1 Debt;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay any underwriting fee due and payable to any Class R Underwriters under any Class R Underwriting Agreement;

(iii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 1 Debt; and

(iv) any Swap Termination Amounts to the extent not satisfied by any premium received by the relevant Obligor from a replacement swap counterparty providing a replacement Swap Transaction,

provided that this item (h) excludes any Priority 1 Debt Step-Up Amounts;

(i) *ninth*:

(i) any interest due and payable in respect of the Priority 2 Debt;

(ii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 2 Debt,

provided that this item (i) excludes any Priority 2 Debt Step-Up Amounts;

(j) *tenth*:

(i) Actual Prepayment or Collateralisation of the full amount of the principal in respect of Priority 1 Debt (whether such amount is due and payable or not) by the Obligors (less any amounts which have already been repaid, Actually Prepaid or Collateralised);

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 1 Debt,

provided that this item (j) excludes any Priority 1 Debt Step-Up Amounts;

(k) *eleventh*:

(i) Actual Prepayment or Collateralisation of the full amount of the principal in respect of Priority 2 Debt (whether such amount is due and payable or not) by the Obligors (less any amounts which have already been repaid, Actually Prepaid or Collateralised); and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 2 Debt,

provided that this item (k) excludes any Priority 2 Debt Step-Up Amounts.

(l) *twelfth*: any interest due and payable in respect of the Subordinated Debt (but excluding the Subordinated Debt Subordinated Amounts);

(m) *thirteenth*:

(i) any principal due and payable by the Obligors in respect of any Subordinated Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of any Subordinated Debt (including any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Subordinated Debt),

provided that this item (m) excludes the Subordinated Debt Subordinated Amounts;

(n) *fourteenth*:

(i) any Liquidity Facility Subordinated Amounts due and payable by FinCo; and

(ii) any Swap Subordinated Amounts, to the extent not satisfied by any premium received by the relevant Obligor from a replacement Swap Counterparty providing a replacement Swap Transaction due and payable by the Obligors;

(o) *fifteenth*: any Priority 1 Debt Step-Up Amounts due and payable by the Obligors;

(p) *sixteenth*: any Priority 2 Debt Step-Up Amounts due and payable by the Obligors;

(q) *seventeenth*: any Subordinated Debt Subordinated Amounts due and payable by the Obligors; and

(r) *eighteenth*: any surplus (if any) shall be deposited promptly in an Obligor Account as chosen by the Obligor Security Trustee.

All monies standing to the credit of all Obligor Accounts shall only be withdrawn with the prior consent of the Obligor Security Trustee.

If the proceeds received or recovered are insufficient to discharge an item in the Security Group Post Enforcement (Pre-Acceleration) Priority of Payments in full, such item shall be discharged

to the extent there are sufficient funds to do so and, where other items are ranked *pari passu* with such item, on a *pro rata* basis together with such item.

If an item within the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments contains amounts payable in respect of Subordinated Debt, the precise ranking of Subordinated Debt vis-à-vis any other Subordinated Debt (in respect of the various categories of claims in respect thereof) will be designated in accordance with the Secondary Debt Rank to be made in accordance with the Common Terms Agreement (see "— *Ranking of Financial Indebtedness*", page 106, above.

Reserving – interest and others: For the purpose of the above priority of payments (i) any interest due and payable on the day in question in any item shall include accrued interest of the same level of priority to (but excluding) the day in question and (ii) items as described in items (h)(iii), (i)(i), (k)(ii) and (l)(ii) below which are due and payable on the day in question shall include, if such amount accrues on a periodic basis, any such amount accrued from the last Loan Payment Date to (but excluding) the day in question. Any sums so included but not yet due and payable shall be reserved for the relevant item before any lower item may be paid (or reserved for), in such manner as the Obligor Security Trustee and any Cash Manager (or any Replacement Cash Manager) may determine. Any amounts reserved may be released upon the next application of this priority of payments as additional funds for that purpose.

In respect of any ICL Loan which corresponds to a Class or Sub-Class of Indexed Notes (where the amount of principal payable is subject to adjustment by the relevant Index Ratio as specified in the Final Terms), the amount of interest that is required to be reserved for the purpose of the above priority of payments shall also include any increases in premium subsequent to the delivery of the Loan Enforcement Notice payable by FinCo as a result of increases in premium on the Indexed Notes.

Reserving/Actually Prepaying – principal: On any day where the above priority of payment applies, the full balance of the principal amount outstanding (less any amount standing to the credit of the relevant DCA Ledger) in respect of all Priority 1 Debt and Priority 2 Debt shall be considered to be due and payable (irrespective of whether the relevant Loan has become due and payable or (in respect of any Revolving Loan) whether the relevant revolving facility is reduced), and all such principal amounts (other than in respect of Revolving ICL Loans, which shall be Collateralised on a *pro rata* basis with the Actual Prepayment or Collateralisation of all other ICL Loans) shall be Prepaid by Actual Prepayment, to the extent of funds available at the relevant priority level, on a *pro rata* basis. However, in respect of any outstanding Early Redemption Premium ICL Loan, the Obligor Security Trustee (or as the case may be, the Note Trustee and/or any Receiver) shall, instead of Actually Prepaying such amounts from available funds, Collateralise such amount by crediting such funds to the relevant DCA Ledger (and upon such amounts being Collateralised, the principal amount of such Early Redemption Premium ICL Loan shall be treated, for the purpose of the above priority of payments, as extinguished pro tanto), and any amount so Collateralised shall be released at the time specified in "*Repayment following enforcement and Collateralisation*", page 217, below.

In respect of any ICL Loan which corresponds to a Class or Sub-Class of Indexed Notes (where the amount of principal payable is subject to adjustment by the relevant Index Ratio as specified in the Final Terms), the principal amount to be Prepaid shall include any premium accreted up to

the date of the delivery of the Loan Enforcement Notice and exclude any premium payable subsequent to such date, as such premium has already been dealt with by the previous paragraph.

Security Group Post-Enforcement (Post-Acceleration) Priority of Payments

Under the Security Trust and Intercreditor Deed, each Obligor Secured Creditor will agree that, following the enforcement of Obligor Security and the Acceleration of the Secured Obligations by the Obligor Security Trustee, each Obligor Secured Creditor's claims shall rank according to the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments.

All monies received or recovered by the Obligor Security Trustee (or the Receiver appointed by it) in respect of the Obligor Security and the Guarantees held by the Obligor Security Trustee or otherwise (other than the Swap Excluded Amounts), together with all monies received or recovered by the Note Trustee (or a Receiver appointed by it) and paid to the Obligor Security Trustee in respect of the enforcement of the OFCA Floating Security shall, subsequent to the enforcement of the Obligor Security and the Acceleration of the Secured Obligations, be applied (to the extent that it is lawfully able to do so) by or on behalf of the Obligor Security Trustee or, as the case may be, any Receiver, in accordance with the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments as set out below:

(a) *first*: amounts due and payable by LSF to any Non-Restricted Group Entity in respect of any Rental Loans;

(b) *second*:

(i) the Fees and Expenses due and payable by the Obligors to the Obligor Security Trustee or any Receiver under any Obligor Transaction Document;

(ii) the Fees and Expenses due and payable by the Obligors to the Note Trustee and any Receiver appointed under the Obligor Floating Charge Agreement; and

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay Fees and Expenses which have become due and payable to the Note Trustee and any Receiver appointed under any Issuer Transaction Document;

(c) *third*: prior to the delivery of a Note Enforcement Notice only, an amount by way of Ongoing Facility Fee equal to (1) the amounts which have become due and payable by the Issuer to third parties (including any Tax Authority) at item (b) of the Issuer Pre-Enforcement Priority of Payments (but only, in relation to United Kingdom corporation tax, to the extent that the Issuer has insufficient profits to discharge that payment in full) incurred in the course of the Issuer's business and (2) any other sum which the Issuer is required to pay which is not specifically referred to in this Security Group Priority of Payments;

(d) *fourth*:

(i) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar which have become due and payable under the Agency Agreement;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of the Account Bank and any Replacement Cash Manager which have become due and payable under the Account Bank and Cash Management Agreement;

(iii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay the Fees and Expenses of any Class R Agent which have become due and payable under any Class R Underwriting Agreement;

(iv) the Fees and Expenses due and payable by the Obligors to the Account Bank and any Replacement Cash Manager under the Account Bank and Cash Management Agreement;

(v) the Fees and Expenses due and payable by the Obligors to any Facility Agent and any arrangers under any ACF Agreement or any Liquidity Facility Agreement (if applicable);

(vi) the Fees and Expenses due and payable by the Obligors to any Property Manager; and

(vii) the Fees and Expenses due and payable by the Obligors to any Replacement Servicer under the Servicing Agreement;

(e) *fifth*: principal, interest and any amounts other than as provided elsewhere in this priority of payments due and payable by FinCo to any Liquidity Facility Provider under any Liquidity Facility Agreement (but excluding any Liquidity Facility Subordinated Amounts);

(f) *sixth*: any amount due and payable by an Obligor to any Swap Counterparty under any Swap Agreement, provided that this item (f) excludes:

(i) any Swap Termination Amounts;

(ii) any Swap Subordinated Amounts; and

(iii) any amount due and payable pursuant to a Swap Excluded Obligation;

(g) *seventh*:

(i) any interest due and payable in respect of the Priority 1 Debt;

(ii) an amount by way of an Ongoing Facility Fee equal to the Issuer's obligations to pay any underwriting fee due and payable to any Class R Underwriters under any Class R Underwriting Agreement;

(iii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 1 Debt; and

(iv) any Swap Termination Amounts to the extent not satisfied by any premium received by the relevant Obligor from a replacement Swap Counterparty providing a replacement Swap Transaction,

provided that this item (g) excludes any Priority 1 Debt Step-Up Amounts;

(h) *eighth*:

(i) any principal due and payable by the Obligors in respect of any Priority 1 Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 1 Debt,

provided that this item (h) excludes the Priority 1 Debt Step-Up Amounts;

(i) *ninth*:

(i) any interest due and payable in respect of the Priority 2 Debt;

(ii) any facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Priority 2 Debt,

provided that this item (i) excludes any Priority 2 Debt Step-Up Amounts;

(j) *tenth*:

(i) any principal due and payable by the Obligors in respect of any Priority 2 Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of the Priority 2 Debt,

provided that this item (j) excludes the Priority 2 Debt Step-Up Amounts;

(k) *eleventh*: any interest due and payable in respect of the Subordinated Debt (but excluding the Subordinated Debt Subordinated Amounts);

(l) *twelfth*:

(i) any principal due and payable by the Obligors in respect of any Subordinated Debt; and

(ii) all amounts due and payable by the Obligors (other than as provided elsewhere in this priority of payments) in respect of any Subordinated Debt (including any

facility and commitment fees payable to any ACF Provider or any Facility Agent under any ACF Agreement in respect of Subordinated Debt),

provided that this item (l) excludes the Subordinated Debt Subordinated Amounts;

(m) *thirteenth*:

(i) any Liquidity Facility Subordinated Amounts due and payable by FinCo; and

(ii) any Swap Subordinated Amounts, due and payable by the Obligors, to the extent not satisfied by any premium received by the relevant Obligor from a replacement Swap Counterparty providing a replacement Swap Transaction;

(n) *fourteenth*: any Priority 1 Debt Step-Up Amounts due and payable by the Obligors;

(o) *fifteenth*: any Priority 2 Debt Step-Up Amounts due and payable by the Obligors;

(p) *sixteenth*: any Subordinated Debt Subordinated Amounts due and payable by the Obligors; and

(q) *seventeenth*: any surplus (if any) together with all amounts standing to the credit of all Obligor Accounts shall be paid to the Principal Obligor on behalf of the Obligors to deal with as they see fit.

If the proceeds received or recovered are insufficient to discharge an item in the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments in full, such item shall be discharged to the extent there are sufficient funds to do so, and where other items are ranked *pari passu* with such item, on a *pro rata* basis together with such item. Any amount contained in any item above which is indicated to be due and payable shall exclude any amount that has already been paid.

If any amounts have been credited to DCA Ledgers, then for the purpose of determining the outstanding principal amounts of the Loans relating thereto, the *pro rata* claims of the Issuer and the ACF Providers in respect of such Loans outstanding shall be calculated after application of the amount credited to such DCA Ledgers.

If an item within the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments contains amounts payable in respect of Subordinated Debt, the precise ranking of Subordinated Debt vis-à-vis any other Subordinated Debt (in respect of the various categories of claims in respect thereof) will be designated in accordance with the Secondary Debt Rank to be made in accordance with the Common Terms Agreement (see the sections entitled "— *Ranking of Financial Indebtedness*", page 106, above).

Governing Law

The Security Trust and Intercreditor Deed is (subject to certain aspects of Jersey and Scottish security, which are governed by Jersey law and Scots law, respectively) governed by English law.

C. INITIAL STANDARD SECURITIES

On the Exchange Date, each Obligor then holding Mortgaged Properties situated in Scotland entered into the Initial Standard Securities with the Obligor Security Trustee in accordance with the Conveyancing and Feudal Reform (Scotland) Act 1970, pursuant to which such Obligor granted Standard Securities over such Mortgaged Properties. Each Obligor holding additional Mortgaged Properties situated in Scotland since the Exchange Date has granted Standard Securities over such additional Mortgaged Properties.

Governing Law

The Initial Standard Securities are governed by Scots law.

D. OBLIGOR FLOATING CHARGE AGREEMENT

On the Exchange Date, the Original Obligors, the Issuer, the Obligor Security Trustee and the Note Trustee entered into the Obligor Floating Charge Agreement pursuant to which each Obligor granted in favour of the Issuer, as security for (i) FinCo's obligations in respect of the ICL Loans and (ii) such Obligor's own obligations to the Issuer, a first ranking floating charge over the whole of its undertaking, assets, property and rights whatsoever and wheresoever, present and future (defined as "**OFCA Floating Security**", page 347, below).

Any Obligor joining the Security Group after the Exchange Date shall accede to, *inter alia*, the Obligor Floating Charge Agreement (and grant a floating charge to the Issuer to the same extent as the other existing Obligors) by way of an Obligor Accession Deed (see "— *Additional Obligors*", page 85, above). The Issuer shall, on the date such Additional Obligor accedes to the Obligor Floating Charge Agreement, make a loan to such Additional Obligor in the amount of £1,000, which shall be deferred in respect of its repayment until the Obligors are under no further actual or contingent liability under the Guarantees. Such loan shall be secured by the Obligor Floating Charge Agreement but shall not be capable of being repaid until the deferred repayment date referred to above.

The circumstances where the OFCA Floating Security may become enforceable and/or be enforced are set out in the section entitled "— *Enforceability of the floating charges*", page 176, above. The Obligors shall jointly and severally indemnify the Note Trustee for the Fees and Expenses incurred by it in appointing a Receiver (including an administrative receiver) in respect of any Obligor.

Governing Law

The Obligor Floating Charge Agreement is governed by English law.

E. TRUST DECLARATIONS AND BENEFICIARY UNDERTAKINGS

With a view to mitigating the risk that neither the Obligor Security Trustee (under the Security Trust and Intercreditor Deed) nor the Note Trustee (as the Issuer's assignee under the Obligor Floating Charge Agreement) could block the appointment of an administrator in respect of Partnerships and JerseyCos, each Relevant Member has transferred its Mortgaged Properties to

two nominees (each, a "**Nominee**") for each Mortgaged Property. The pair of nominees relating to each relevant Mortgaged Property will (as trustees) hold such Mortgaged Property (the "**Trust Property**") on a trust of land for the Relevant Members (as defined in the Trusts of Land and Appointment of Trustees Act 1996). Each Nominee is a wholly owned subsidiary of a special purpose company ("**SubCo**") which in turn is wholly owned by Land Securities Portfolio Management Limited. The terms of the trust will provide that no part of the beneficial interest in the Mortgaged Property will be transferred or will pass to the Nominees.

The Nominees, as trustees, and at the direction of each Relevant Member, provide a limited recourse guarantee and indemnity to the Obligor Security Trustee in respect of the Obligors' obligations under the Obligor Transaction Documents (including the Intercompany Loan Agreement). Each Relevant Member has agreed with the relevant Nominees that they may indemnify themselves out of the relevant trust assets to discharge any liability incurred in the proper exercise of their powers or at the Relevant Member's direction (including the performance of any guarantee and indemnity granted by it) and that such Relevant Member will waive its rights to call for the Nominees (as trustees) to remedy any breach of trust before becoming entitled to such indemnification.

Pursuant to the relevant Beneficiary Undertaking, each Relevant Member covenants to the Obligor Security Trustee that it will not call for a return of its legal interest in its Mortgaged Properties or for a dissolution of the trust or for a transfer of its Mortgaged Properties and covenants that it will not transfer its beneficial interests in its Mortgaged Properties other than as permitted under the Obligor Transaction Documents.

The following security has been granted under the Security Trust and Intercreditor Deed in favour of the Obligor Security Trustee for the benefit of the Obligor Secured Creditors: (1) the Relevant Members have each granted a first fixed charge over their beneficial interests in their Mortgaged Properties, (2) the Nominees relating to each Mortgaged Property have granted full fixed and floating security over all of their property, assets and undertaking, (3) SubCo have granted full fixed and floating security over all its property, assets and undertaking (in the form of fixed, equitable mortgages as regards the shares in the Nominees) and (4) Land Securities Portfolio Management Limited has granted full fixed and floating security over all its property, assets and undertaking (in the form of fixed, equitable mortgages over the shares in SubCo).

The inability of the Obligor Security Trustee and the Note Trustee to appoint an administrative receiver to block the appointment of an administrator as described above is mitigated by the Obligor Security Trustee taking the following steps if the Relevant Member goes into administration, and SubCo and the Nominees are not insolvent at that time:

(a) the Obligor Security Trustee appoints a receiver in respect of Land Securities Portfolio Management Limited's shares in SubCo;

(b) the receiver will then gain control over SubCo by exercising Land Securities Portfolio Management Limited's fixed security over the shares of SubCo and thereby control the Nominees through the ability to appoint directors in respect of these companies; and

(c) the Nominees (as trustees of the relevant Mortgaged Property of the Relevant Member in question) may then either:

(i) hold and manage such Mortgaged Property and collect rent in the ordinary course (notwithstanding the appointment of an administrator over such Relevant Member's assets); or

(ii) sell the Mortgaged Property at arm's length and at its commercial value thereby overreaching the beneficial interest of the Relevant Member (i.e. thereby conveying good legal and beneficial title to the purchaser).

Governing Law

The Trust Declarations and Beneficiary Undertakings are governed by English law.

F. INTERCOMPANY LOAN AGREEMENT

General Principles

The Intercompany Loan Agreement, which was entered into on the Exchange Date between the Issuer (as lender), FinCo (as borrower), the Obligor Security Trustee and the Note Trustee, provides that all funds raised by the issue of the Notes will be lent by the Issuer to FinCo. FinCo will be entitled under the terms thereof, to on-lend amounts equal to the monies so lent to it to other members of the Security Group or the Non-Restricted Group and/or apply the same, subject to the provisions of the Common Terms Agreement, for any other lawful purpose (see Chapter 5 "*Use of Proceeds*", page 237, below).

The Issuer will apply payments of interest, premia and fees and repayment of principal to fund its financial outgoings, whether in respect of the Notes or otherwise, and will retain a profit of 0.01% of the principal amount advanced.

The Issuer will advance a separate ICL Loan under the Intercompany Loan Agreement in respect of each issue of a Sub-Class of Notes.

Term ICL Loans

Whenever a Sub-Class of Notes is issued, the Issuer will make an advance by way of an ICL Loan to FinCo under the Intercompany Loan Agreement in an amount equal to the nominal principal amount of such Notes and in the same currency. If the Notes are issued at a premium, then the Issuer shall pay an equivalent amount by way of a premium in respect of the corresponding Term ICL Loan to FinCo. Conversely, if the Notes are issued at a discount, FinCo shall, on the date on which the corresponding Term ICL Loan is made, pay to the Issuer a reverse premium in an amount equal to the discount.

As at the date of this Base Prospectus, the aggregate principal amount of the outstanding ICL Loans is £2,356,042,500.

Principles applicable to all Term ICL Loans

The following applies to all Term ICL Loans:

Scheduled Maturity/ies: Each Term ICL Loan shall have a scheduled maturity date(s) which fall(s) on or before (as provided in the Final Terms) the Note Payment Date(s) for the corresponding Notes on which all or a portion of the principal amount of such Notes is scheduled to be redeemed, and the amount to be repaid on each such maturity date shall be equal to the amount to be redeemed on the corresponding Note Payment Date.

Voluntary Prepayments: FinCo may Actually Prepay any Term ICL Loan, in whole or in part, in accordance with the provisions set out in the section "— Prepayment of Non-Contingent Loans", page 122 above, and provided that it shall have notified the Issuer in sufficient time to enable the Issuer to give notice of voluntary redemption of the corresponding Notes under Condition 8(b) (*Optional Redemption*), in accordance with Condition 16 (*Notices*). FinCo can only Actually Prepay any ICL Loan on a date on which this Issuer is permitted or required to redeem the corresponding Notes in accordance with Condition 8 (*Redemption, Purchase and Cancellation*).

Mandatory Prepayments on Issuer Redemptions: FinCo shall Actually Prepay Term ICL Loans to the extent that the Issuer shall have given notice, and shall be obliged under any provision of Condition 8 (*Redemption, Purchase and Cancellation*), other than Condition 8(b) (*Optional Redemption*) or Condition 8(e) (*Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*), to redeem all (or, as the case may be, some) of the corresponding Notes. Any such Actual Prepayment shall be made on the date on which such redemption is required to be made.

Repayment following enforcement and Collateralisation: If a Loan Enforcement Notice shall have been delivered in accordance with the Security Trust and Intercreditor Deed and, pursuant thereto, the obligations of FinCo under the Intercompany Loan Agreement in respect of any Fixed Rate ICL Loan are required to be Collateralised, then, upon the earlier of the first date on which such Fixed Rate ICL Loan is fully Collateralised and the date of final maturity in respect of such Fixed Rate ICL Loan, FinCo will be obliged to repay such Fixed Rate ICL Loan in full together with all interest accrued thereon provided that FinCo shall only be required to make such repayment if the relevant date falls during an Enforcement Period.

Interest: Each Term ICL Loan shall bear interest at a rate equal to the rate of interest payable in respect of the corresponding Sub-Class of Notes plus 0.01% per annum, such interest to be payable on the relevant ICL Loan Payment Date. Interest will accrue for the full period from (and including) each corresponding Note Payment Date (or, in the case of the first payment of interest on any Term ICL Loan, the date on which it was advanced) to (but excluding) the next (or first) Note Payment Date for the corresponding Sub-Class of Notes.

Premia on prepayments: If an ICL Loan is Actually Prepaid, and the Issuer will be required pursuant to Condition 8 (*Redemption, Purchase and Cancellation*) to pay any premium in respect of the redemption, to the extent of such Actual Prepayment, of the corresponding Sub-Class of Notes, then FinCo shall be obliged to pay to the Issuer, on the date on which such Actual Prepayment is made, a prepayment premium in respect of the Actual Prepayment in an amount equal to the redemption premium relating to such Notes.

Revolving ICL Loans

If any Class R1 Notes or Class R2 Notes are issued, they will be of a revolving nature. They may be repurchased in whole or in part by the Issuer from the Class R Underwriters immediately on issue. If so, they will be capable of being resold to the Class R Underwriters pursuant to the relevant Class R Underwriting Agreement, on any Note Payment Date for the Class R Notes. The same will apply in the case of any Class R Notes which shall have been resold on any previous such Note Payment Date and which shall have been repurchased by the Issuer in accordance with the Conditions.

To the extent that Class R1 Notes are issued without being immediately repurchased or are resold, the Issuer will make a Revolving R1 ICL Loan to FinCo, and to the extent Class R2 Notes are issued without being immediately repurchased or are resold, the Issuer will make a Revolving R2 ICL Loan to FinCo, in each case under the Intercompany Loan Agreement and in an amount equal to the principal amount of Class R Notes issued or sold (unless an Obligor Event of Default or a Potential Obligor Event of Default has occurred and is continuing). If the Class R Notes are issued at a premium or a discount, this will be dealt with in the same manner as is the case for any premium or discount on a Term ICL Loan (see "— *Term ICL Loans*", page 216 above). Each Revolving ICL Loan will be repayable on the ICL Loan Payment Date following that on which it was made. Any Revolving R1 ICL Loan will be Priority 1 Debt and any Revolving R2 ICL Loan will be Priority 2 Debt.

The repayment of a Revolving ICL Loan may be financed by the making of a further Revolving ICL Loan provided that (a) no Obligor Event of Default or Potential Obligor Event of Default has occurred and is continuing and (b) the Issuer is either (i) able to finance such further Revolving ICL Loan by reselling Class R Notes to the Class R Underwriters in the requisite amount pursuant to the relevant Class R Underwriting Agreement in accordance with Condition 8(h)(i) or (ii) not required to repurchase the corresponding Class R Notes by virtue of Condition 8(h)(ii) or (iii). The same conditions would apply to the making of Revolving ICL Loans in principal amounts exceeding any maturing Revolving ICL Loan.

If, by reason of the existence of the circumstances described in (a) or (b) of the above paragraph, the Issuer is not permitted to make any further Revolving ICL Loans to FinCo, the maturity of any outstanding Revolving ICL Loans will, provided a Loan Acceleration Notice has not been given, automatically be extended to the next ICL Loan Payment Date. If in such circumstances there is an outstanding Revolving R1 ICL Loan which may not be refinanced in whole or in part by a further Revolving R1 ICL Loan (see "— *Reborrowing restrictions and requirements applicable to Revolving R1/R2 Loans*", page 126 above), then to that extent such outstanding Revolving R1 ICL Loan will automatically be reconstituted as a Revolving R2 ICL Loan (unless refinanced from other resources), and interest thereon will accrue accordingly.

Revolving ICL Loans shall bear interest in accordance with the same principles mentioned above for Term ICL Loans, such interest to be payable on their respective ICL Loan Payment Dates. Interest will accrue for the full period from (and including) the date on which a Revolving ICL Loan is made to (but excluding) the Note Payment Date for the corresponding Class R Notes immediately following the date on which such Revolving ICL Loan is made.

If a Revolving ICL Loan is Collateralised following enforcement, as provided for in "— *Reserving/Actually Prepaying – principal*", page 209, above, then such Revolving ICL Loan shall become repayable on the earlier of the first date on which such Revolving ICL Loan is fully Collateralised and the first date on which such Revolving ICL Loan may no longer be refinanced with the proceeds of the resale of corresponding Class R Notes by reason of the Class R Underwriters no longer being obliged to repurchase the same from the Issuer provided that FinCo will only be obliged to make such repayment if the relevant date falls during an Enforcement Period.

Ongoing Facility Fee

Under the terms of the Intercompany Loan Agreement, FinCo will be required to pay to the Issuer in accordance with the then applicable Security Group Priority of Payments, a fee (the "Ongoing Facility Fee") in an amount equal to all sums (other than any payments of interest on, payments or repayments of principal of, or any premia payable on, any Notes in accordance with Condition 8 (*Redemption, Purchase and Cancellation*) or any Final Terms and certain other amounts which the Issuer is able to fund from its own resources) which the Issuer is required to pay for any reason to any person in accordance with the Issuer Payment Priorities, as consideration for the Issuer making the Initial ICL Loans available to FinCo. Payments by way of Ongoing Facility Fee will usually be made on each ICL Loan Payment Date. However, if the Issuer anticipates that it may be obliged to pay any such sum other than on a Note Payment Date, it shall be entitled to demand a sum equal thereto from FinCo by way of the Ongoing Facility Fee which FinCo shall pay as soon as practicable thereafter.

Security

The obligations of FinCo under the Intercompany Loan Agreement will be secured by the other Obligors pursuant to the Obligor Security Documents and such obligations will be guaranteed by the other Obligors pursuant to the Security Trust and Intercreditor Deed.

Withholding Tax

All payments made by FinCo to the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any tax unless such withholding or deduction is required by law. If any such withholding or deduction is so required, the amount of the payment due from FinCo will be increased to the extent necessary to ensure that, after that withholding or deduction has been made, the amount received by the Issuer is equal to the amount that it would have received had that withholding or deduction not been required to be made.

Purchase of Notes

From time to time, FinCo may purchase Notes and surrender such Notes to the Issuer for cancellation. Upon such cancellation, an amount of the relevant ICL Loan relating to such Notes equal to the Principal Amount Outstanding of such Note plus an amount of interest on the relevant ICL Loan equal to the aggregate of any accrued and unpaid interest on the Principal Amount Outstanding of such Note will be treated as having been Actually Prepaid by FinCo (see "— *Additional negative covenants of the Obligors*", page 148, above).

Governing Law

The Intercompany Loan Agreement will be governed by English law.

G. ACCOUNT BANK AND CASH MANAGEMENT AGREEMENT

Extent of Roles

On the Exchange Date, the Original Obligors, the Issuer, the Obligor Security Trustee, the Note Trustee, the Cash Manager and the Account Bank *inter alios*, entered into the Account Bank and Cash Management Agreement pursuant to which the Account Bank agreed to maintain the Accounts and the Cash Manager was appointed to act as cash manager in respect of amounts standing from time to time to the credit of the Accounts.

The description of the operation of the Accounts in this section will only apply prior to the enforcement of the Issuer Security (in the case of the Issuer Accounts) or the Obligor Security (in the case of the Obligor Accounts). Following the enforcement of the Issuer Security (in the case of the Issuer Accounts) the Issuer Accounts will be operated in accordance with the Issuer Deed of Charge (see "— *Issuer Deed of Charge*", page 233, below). During an Enforcement Period, the Obligor Accounts will be operated in accordance with the Security Trust and Intercreditor Deed (see "— *Security Trust and Intercreditor Deed*", page 171, above) and the Obligor Floating Charge Agreement (see "— *Obligor Floating Charge Agreement*", page 214, above).

Under the Account Bank and Cash Management Agreement:

(a) the Cash Manager:

  (i) is not permitted to sub contract or delegate the performance of any of its obligations to any sub-contractor, agent, representative or delegate (other than the Servicer or any Obligor), without the prior written consent of (A) in the case of the Issuer Accounts, the Note Trustee, and (B) in the case of the Obligor Accounts, the Obligor Security Trustee; and

  (ii) will give the Account Bank all directions necessary to enable the Account Bank to operate the Accounts in accordance with the terms of the Account Bank and Cash Management Agreement, the relevant mandates and normal banking practice; and

(b) the Account Bank:

  (i) is appointed to maintain the Accounts in accordance with the terms of the Account Bank and Cash Management Agreement;

  (ii) undertakes not to exercise any rights of set-off, lien, counterclaim or consolidation of accounts in respect of the Accounts (other than the Collection Account and the Operating Accounts, in respect of which netting as between overdraft obligations owed by the Obligors to the Account Bank and Collection Account and Operating Account balances will be permitted); and

(iii) represents and warrants that it is an Eligible Bank.

Requirement for Eligible Bank

If the Account Bank ceases to be an Eligible Bank then within 30 Business Days of notification as such, the Cash Manager will be required (save in certain limited circumstances where there is no bank carrying on business in London which is an Eligible Bank) to arrange for the transfer of the Accounts, in each case to an Eligible Bank and on terms acceptable to the Note Trustee and the Obligor Security Trustee.

Issuer Accounts

The Issuer has established the Initial Issuer Account for the purpose of receiving payments in sterling from FinCo under the Intercompany Loan Agreement and/or the Obligors under the Guarantees and making payments in sterling in accordance with the relevant Issuer Priority of Payments.

In the event that the Issuer will be receiving or paying amounts in a currency for which the Issuer does not have an account, the Issuer shall instruct the Account Bank to open a new account (to be designated as an "Issuer Account") in such currency.

Collection Account

Land Securities (Finance) Limited has established the Collection Account with the Account Bank for the principal purpose of collecting revenues and discharging Security Group operating expenses, although such account may be credited with any funds received by the Obligors which are not required under the Obligor Transaction Documents to be paid into any of the other Obligor Accounts and may be debited for any corporate purpose of any Obligor (including, without limitation, the crediting of such amounts to any Operating Account) subject to the Security Group Priority of Payments.

The Collection Account may be overdrawn, except to the extent that such would result in Net Unsecured Debt being greater than the Unsecured Debt Limit.

All rental income (including service and insurance charges) in respect of the Mortgaged Properties shall, among other cash receipts, be paid into the Collection Account. If any sum required to be paid into the Collection Account is denominated in a currency other than sterling, a sub-account of the Collection Account shall be established for the purpose of crediting sums in that currency.

The Obligors shall be permitted to transfer any sums received into the Collection Accounts by way of rental income (including service and insurance charges) relating to properties which are not Mortgaged Properties to a Non-Restricted Group Entity, by way of repayment of Rental Loans.

Operating Accounts

Any Obligor may hold a current account with the Account Bank which shall be used primarily as an overdraft account, save to the extent that such would result in Net Unsecured Debt being greater than the Unsecured Debt Limit.

Disposal Proceeds Account

FinCo has established the Disposal Proceeds Account, the principal purpose of which is to receive and subsequently apply Sales Proceeds, Deemed Disposal Proceeds and certain insurance proceeds as more particularly described in "— *Special Provisions Concerning Obligor Accounts*", page 153, above.

Debt Collateralisation Account

FinCo has established the Debt Collateralisation Account, which can be voluntarily funded at any time by the Obligors. Any drawings from such account may only be used to repay or Prepay Non Contingent Loans (including Buyback of Notes) or as otherwise permitted by the Common Terms Agreement (see "— *Special Provisions Concerning Obligor Accounts*", page 153, above).

Income Replacement Account

FinCo has established the Income Replacement Account, the principal purpose of which is, for so long as a T3 Covenant Regime applies (subject always to the Surrender Threshold, where the Initial T3 Covenant Regime applies), to hold amounts which, along with the interest accruing, will be sufficient to replace the lost rental income resulting from Surrenders of material Leasing Agreements where the relevant Mortgaged Property is not re-let on terms that are substantially equivalent to the surrendered Leasing Agreement and to disburse to the Collection Account amounts equal to the rental income that has been so lost on the days on which it would otherwise have been paid by tenants (see "— *Special Provisions Concerning Obligor Accounts*", page 153, above). In addition, a separate liquidity ledger of the Income Replacement Account may be established by the Cash Manager (see "— *Mandatory Liquidity Provisions*", page 112, above).

Tax Reserve Accounts

The Obligors will be required to maintain certain reserves for tax under the Tax Deed of Covenant (including reserves for the payment of tax in respect of certain disposals and certain other transactions). These reserves will be deposited into the Tax Reserve Accounts, in accordance with the Tax Deed of Covenant.

Any sum standing to the credit of the Tax Reserve Accounts will be released in order to pay the tax for which it was reserved and otherwise as permitted by, and in accordance with, the Tax Deed of Covenant.

Swap Collateral Accounts

Following a Swap Counterparty Downgrade, the relevant Swap Counterparty may be required to provide collateral to the Obligor party to the applicable Swap Agreement in support of such Swap Counterparty's obligations under such Swap Agreement. Any such collateral will be held in a Swap Collateral Account (see "— *Special Provisions Concerning Obligor Accounts*", page 153, above).

Swap Excluded Amount Account

To the extent that any payment is due to a Swap Counterparty following termination of any Swap Transaction, any premium received by an Obligor for entering into a replacement transaction will be deposited in a Swap Excluded Amount Account. Further, any tax credit received by an Obligor (in the form of a cash payment) in respect of any additional payment made by a Swap Counterparty to such Obligor as a result of the imposition of tax upon a payment due from such Swap Counterparty will be deposited in a Swap Excluded Amount Account. (see "— *Special Provisions Concerning Obligor Accounts*", page 153, above

Other Obligor Accounts

In addition, the Obligors may be required to open and maintain the Liquidity Reserve Account (see "— *Mandatory Liquidity Provisions*", page 112, above), a Development Account and the Development Accounts (see "— *Developments in Partnerships and Non-UK Obligors*", page 141, above).

Investing in Eligible Investments

The Account Bank and Cash Management Agreement enables the Cash Manager to invest funds standing to the credit of certain of the Accounts in Eligible Investments.

Account Bank: Responsibilities

The Account Bank is obliged only to deal with the account holders in respect of the Issuer Accounts and the Obligor Accounts and the Note Trustee and Obligor Security Trustee as follows:

(a) until enforcement of the Issuer Security or during an Enforcement Period in relation to the Obligor Security (see "— *Extent of Roles*", page 220, above), the Account Bank will be able to assume that any requested withdrawal from the Issuer Accounts or the Obligor Accounts is permitted, and such accounts may be operated in accordance with the account mandates; and

(b) after enforcement, in the case of the Issuer Accounts and during an Enforcement Period, in the case of the Obligor Accounts (i) the Issuer Accounts will be operated solely by the Note Trustee and (ii) the case of the Obligor Accounts will be operated solely by such of the Note Trustee and the Obligor Security Trustee as may be jointly notified to the Account Bank by the Note Trustee and the Obligor Security Trustee in writing.

In neither case shall the Account Bank be obliged to enquire as to the application of any funds withdrawn from any of such accounts.

Ledgers

The Cash Manager is required to maintain ledgers in respect of the Debt Collateralisation Account, the Disposal Proceeds Account, the Income Replacement Account and the Tax Reserve Accounts as follows:

(a) *Debt Collateralisation Account:* The Cash Manager must establish a separate DCA Ledger for each ICL Loan and ACF Loan in respect of which a credit has been made to the Debt Collateralisation Account in accordance with the Common Terms Agreement (see "— *Prepayment of Non-Contingent Loans*", page 115, above), the ledger amount to be equal to the credit to the Debt Collateralisation Account. To the extent that amounts are withdrawn from the Debt Collateralisation Account to repay or prepay principal in respect of any ICL Loan or ACF Loan, the corresponding DCA Ledger will be debited accordingly.

(b) *Disposal Proceeds Account:* The Cash Manager must establish a ledger for each Mortgaged Property or, as the case may be, Obligor that is Disposed of or released from the Estate and in respect of which Sales Proceeds, Deemed Disposal Proceeds, insurance proceeds or certain amounts are credited to the Disposal Proceeds Account in accordance with the Common Terms Agreement, the ledger amount to be equal to the credit to the Disposal Proceeds Account. To the extent that amounts are withdrawn from the Disposal Proceeds Account, the Cash Manager shall make a corresponding debit to the ledger established for the Mortgaged Property or Obligor in respect of which such debit is made.

(c) *Income Replacement Account:* The Cash Manager must establish a ledger for each Leasing Agreement that shall have been surrendered and in respect of which a Surrender Amount shall have been deposited into the Income Replacement Account, the ledger amount to be equal to the credit to the Income Replacement Account. To the extent that amounts are withdrawn from the Income Replacement Account, the Cash Manager shall make a corresponding debit to the ledger established for the relevant Surrender.

(d) *Tax Reserve Accounts:* The Cash Manager must establish a ledger for each separate Disposal or Specified Arrangement in respect of which an amount has been credited to a Tax Reserve Account in accordance with the Tax Deed of Covenant, the ledger amount to be equal to the credit to such Tax Reserve Account. To the extent that amounts are withdrawn from such Tax Reserve Account in respect of a Tax Liability (or as a result of the extinguishment or non-existence of a Tax Liability) relating to that Disposal or Specified Arrangement, the Cash Manager shall make a corresponding debit to the ledger established for that Disposal or Specified Arrangement.

The Cash Manager may make Eligible Investments to the extent of balances on the Debt Collateralisation Account, the Disposal Proceeds Account, the Income Replacement Account and the Tax Reserve Accounts (in the case of the Income Replacement Account, to the extent permitted by the Account Bank if a special deposit rate has been agreed) and certain other Obligor Accounts. In any such case, the Cash Manager will attribute the investment to a particular sub-ledger (the "**investment sub-ledger**") that relates to the relevant Obligor Account and shall debit the amount invested to a cash sub-ledger (the "**cash sub-ledger**") and credit the corresponding investment sub ledger. The investment sub-ledger will be debited to the extent of any repayment or realisation in respect of the relevant investment and the cash sub-ledger will be credited with a corresponding sum. Any sum recovered or realised in respect of an Eligible Investment over and above the principal amount invested may be retained by the Cash Manager from the recovered or realised sum and credited to the Collection Account.

VAT Group

Certain members of the Security Group have been, are, or may in the future become, members of a group for VAT purposes. Supplies between members of the same VAT group are disregarded for VAT purposes. As at the date of this Base Prospectus, the majority of Obligors are members of a VAT group (the "**Land Securities VAT Group**") which includes companies that are not Obligors but are members of the Landsec Group. The Cash Manager will be required to be a member of the Land Securities VAT Group.

Governing Law

The Account Bank and Cash Management Agreement will be governed by English law.

H. SERVICING AGREEMENT

On the Exchange Date, Land Securities Properties Limited ("**LSP**"), FinCo, the other Obligors, the Issuer, the Obligor Security Trustee and the Note Trustee entered into the Servicing Agreement. The Servicing Agreement was subsequently amended pursuant to the terms of an Amendment Agreement dated 14 November 2014 between Land Securities PLC, LSP and Deutsche Trustee Company Limited (the "**Servicer Amendment**").

Under the Servicing Agreement, LSP was appointed as the initial Servicer of the Security Group and the Issuer.

Services

The Servicer will provide or procure the provision of, *inter alia*, the following services (the "**Services**") to the Security Group:

(a) management and administrative services (including administrative services, accounting, auditing, financing, taxation, treasury, debt management and legal services, corporate compliance and advice, trustee services, IT consultancy and company secretarial services);

(b) portfolio management services (including operation, due diligence, management, funding, marketing, leasing, selling and purchasing of the Mortgaged Properties, dealing with sales enquiries and reports, rent reviews, tenant enquiries and administration, insurance and value enhancement, property encumbrance and rent collection and all capital, maintenance and other expenditure in, to or relating to the Mortgaged Properties or the business and assets of the Security Group);

(c) services relating to the Security Group's Developments (including all services in connection with the planning, management and delivery of development schemes);

(d) cash management services to the Security Group (including performance of the duties of the Cash Manager under the Account Bank and Cash Management Agreement);

(e) the appointment and management of, or procuration of, professional advisers, delegates, agents or contractors to perform any of the Services; and

(f) any other services from time to time that may be agreed between any Obligor and the Servicer.

The Servicer, in the Servicing Agreement, agrees to provide cash management services to the Issuer.

The Servicer will also provide or procure the provision of services both to the Security Group and the Issuer, to enable them to comply with their obligations under the Transaction Documents.

Servicer Loans

The Security Group may request that LSP pays any of its ongoing fees and expenses. If LSP does so, the Land Securities Intra-Group Funding Deed provides that a Servicer Loan will be made by LSP to Land Securities (Finance) Limited ("LSF") in the amount of the expense. The Land Securities Intra-Group Funding Deed further provides that each such Servicer Loan may be repaid on demand to LSP or, at the option of LSP, may be applied towards repayment of the Day One Loan (to the extent it remains outstanding) (see "— *Land Securities Intra-Group Funding Deed*" page 228, below).

Standard of care

The Servicer has agreed to perform the Services with due skill and care to the standard of a professional service provider engaged in the provision of services of a similar nature to persons carrying on businesses of a similar nature to those of the service recipients.

Payment of fees

The fees for the provision of the Services will be capped in any Financial Year at an amount per annum equal to 0.25% of the Market Value of the Estate during that Financial Year but such cap will not cover any fees charged by third parties who are engaged to provide the Services and whose fees are invoiced to the Security Group or any out-of-pocket costs and expenses incurred by the Servicer in performing the Services and which are to be paid or reimbursed by the Security Group. The Principal Obligor (acting on behalf of the recipients of the Services) may agree with the Servicer to increase the fee cap or to change the method of calculating the fee cap, provided such increase or change would not cause the then current ratings of the Notes to be downgraded as a result.

The fee in respect of services provided will be payable at such times as may be agreed between the Servicer and the Security Group from time to time. Any unpaid balance will be carried forward until the next payment date.

In accordance with the terms of the Servicer Amendment, and notwithstanding the abovementioned fee cap, the Security Group may agree to pay additional amounts to the Servicer in connection with the provision of the Services as agreed between the Servicer and the Security Group from time to time (the "**Additional Amounts**"). However, no Additional Amounts shall be

paid to the Servicer if (a) an Enforcement Period is continuing or (b) such payment is prohibited from being paid under the terms of the other Obligor Transaction Documents.

(g) Removal or resignation of the Servicer

The Principal Obligor may (with the consent of the Obligor Security Trustee and the Note Trustee) upon written notice to the Servicer, terminate the appointment of the Servicer as Servicer under the Servicing Agreement in the following circumstances:

(a) default is made by the Servicer in the performance or observance of any of its duties or obligations under the Servicing Agreement which would reasonably be expected to have a Material Adverse Effect, and such default continues unremedied for a period of 20 Business Days after receipt by the Servicer of written notice from the Principal Obligor (acting on behalf of the recipients of the Services) requiring the same to be remedied, provided that where the relevant default occurs as a result of a default by any person to whom the Servicer has subcontracted or delegated part of its duties or obligations, such default shall not constitute a termination event if, within such period of 20 Business Days, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Principal Obligor (on behalf of the Service Recipients) may specify to remedy such default or to indemnify the Service Recipients against the consequences of such default;

(b) an order is made or an effective resolution passed for winding up the Servicer;

(c) the Servicer ceases or threatens to cease to carry on its business or becomes unable to pay its debts as they fall due or otherwise becomes insolvent; or

(d) proceedings are initiated against the Servicer under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation where the Servicer is solvent) or other similar laws, save where such proceedings are being contested in good faith by the Servicer, or if the Servicer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally (other than a reorganisation where the Servicer is solvent),

provided that a substitute servicer is appointed prior to such termination taking effect.

Following an Enforcement Trigger Event (other than a P2 Trigger Event) and whilst it is continuing, the Obligor Security Trustee may (provided a substitute servicer is appointed) suspend the appointment of the Servicer during which time no fees or compensation will be payable to the Servicer and the Servicer will not be obliged to perform any of its duties or obligations during such period.

Subject to the fulfilment of a number of conditions set out in the Servicing Agreement, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Principal Obligor, the Obligor Security Trustee and the Note Trustee, provided that a substitute servicer is appointed prior to the resignation taking effect.

Right to sub contract and delegation by the Servicer

The Servicer may sub contract or delegate from time to time the performance of its rights, duties, powers or obligations under the Servicing Agreement. However, the Servicer will remain primarily liable to the Obligors and the Issuer for the Services notwithstanding any such delegation or subcontracting.

Governing Law

The Servicing Agreement is governed by English law.

I. LAND SECURITIES INTRA-GROUP FUNDING DEED

The Land Securities Intra-Group Funding Deed was entered into on the Exchange Date between LSP, LSF, the Obligors (other than FinCo) and certain Non-Restricted Group Entities (the "**Participating NRGEs**").

The Land Securities Intra-Group Funding Deed provides for all payments and loans made between Participating NRGEs and the Security Group (other than FinCo) to be between LSP and LSF.

In this way, the aggregate amount owing by the Security Group (other than FinCo) to the Non-Restricted Group, and vice versa, will be obligations only of LSF and LSP respectively. Moreover, the Land Securities Intra-Group Funding Deed will provide that any amounts due and owing to LSP from LSF may be netted against any amounts due and owing to LSF from LSP, subject to the treatment of Rental Loans and Servicer Loans, as described in "— *Servicer Loans*", page 226, above and of Rental Loans as described below.

On the Exchange Date certain of the loan relationships existing between the Non-Restricted Group and the Security Group were reorganised and, in combination with certain amounts payable by the Security Group to the Non-Restricted Group as part of the reorganisation, resulted in the Day One Loan being made by LSF to LSP.

On and from the Exchange Date, rent and other amounts owed by tenants to Participating NRGEs will be paid into the Collection Account held with LSF, and the Land Securities Intra-Group Funding Deed will provide that a corresponding Rental Loan for such amount will be entered into between LSP and LSF. The Land Securities Intra-Group Funding Deed will further provide that each such Rental Loan may, at LSP's option, be repaid on demand to LSP or, at the option of LSP, may be netted or set off against the Day One Loan (to the extent it remains outstanding).

Governing Law

The Land Securities Intra-Group Funding Deed is governed by English law.

J. HEDGING ARRANGEMENTS

Swap Agreements

FinCo and various Swap Counterparties are party to 1992 ISDA Master Agreements (Multicurrency – Cross Border), together with the schedules thereto and any confirmation in respect of any transaction thereunder (each a "**Swap Agreement**"). The Swap Agreements (to the extent required by the Hedging Covenant) hedge the interest rate risk of the Security Group (taken as a whole) arising as a result of any Obligor being required to pay a floating rate of interest on Non-Contingent Loans.

FinCo's obligations to each Swap Counterparty are secured pursuant to the Obligor Security Documents.

Pursuant to the Hedging Covenant described in the section entitled "— *Swap Agreements and Hedging Covenant*", page 113 above, FinCo or any Financial SPV Obligor may enter into further Swap Agreements with qualifying counterparties.

Termination

FinCo is (and, in respect of any further Swap Agreement, the relevant Obligor will be) entitled to terminate some or all of the transactions entered into under the Swap Agreements in certain circumstances, including a failure to pay by a Swap Counterparty, certain insolvency events affecting a Swap Counterparty, breach of certain obligations under the Swap Agreement, credit support default, misrepresentation, merger without assumption, certain tax events, illegality affecting the Swap Agreement and a failure to take one of the actions specified below following a rating downgrade event affecting a Swap Counterparty.

FinCo will, outside any Enforcement Period, also be and, in respect of any further Swap Agreement, the relevant Financial SPV Obligor will also be entitled to terminate all relevant transactions under the Swap Agreements at its discretion where it is of the reasonable opinion that each relevant transaction or part thereof is not required to ensure compliance with the Hedging Covenant. During any Enforcement Period (but prior to the delivery of a Loan Acceleration Notice), FinCo (or, in respect of any further Swap Agreement, the Obligor party thereto) shall be required to terminate all related Swap Transactions on a *pro rata* basis upon any repayment or prepayment of any Non-Contingent Loan.

Each Swap Counterparty is entitled to terminate some or all of the transactions entered into under the relevant Swap Agreement in certain circumstances including those listed below:

(a) a failure by FinCo or the relevant Financial SPV Obligor (as the case may be) to make a payment when due following the expiry of the applicable grace period;

(b) certain insolvency events affecting the relevant Financial SPV Obligor (being, in summary, dissolution or the passing of a resolution for its winding-up or liquidation);

(c) illegality affecting the relevant Swap Agreement;

(d) certain tax events (including as described below);

(e) a Note Enforcement Notice is served in respect of the Notes and a Loan Acceleration Notice either has been or is delivered by the Obligor Security Trustee;

(f) the Obligor Security Trustee, upon a Secured Creditor Instruction, giving a Loan Acceleration Notice and either (i) no Administrative Receiver or Receiver having been appointed or an Administrative Receiver or Receiver has been appointed but the appointment has been terminated; or (ii) an Administrative Receiver or Receiver has been appointed and not yet removed but either (a) the Total Collateral Value becomes less than £1,000,000,000 as a result of a disposition or (b) such Administrative Receiver or Receiver does not meet or does not continue to meet the relevant Obligor's obligations as they fall due under the relevant Swap Agreement.

It is anticipated that future Swap Agreements will contain similar termination rights subject to additions or restrictions agreed or required by the Rating Agencies.

A termination payment may be due upon termination of some or all of the transactions under any Swap Agreement.

Swap Counterparty Rating Downgrade

If the short term or long term unsecured, unsubordinated and unguaranteed debt obligations of a Swap Counterparty are rated below the Swap Counterparty Minimum Short Term Ratings or the Swap Counterparty Minimum Long Term Ratings respectively (and, in the case of a downgrade by S&P or Fitch, as a result of such downgrade the then current rating of the Notes is downgraded or placed under review for possible downgrade by S&P or Fitch, as applicable) (a "**Swap Counterparty Downgrade**"), then such Swap Counterparty will be obliged, within a certain period of time, to take one of certain remedial measures which may include the following:

(a) procure that a third party which is rated no lower than the Swap Counterparty Minimum Long Term Ratings and the Swap Counterparty Minimum Short Term Ratings specified by the Rating Agency (and as set out in the Swap Agreement) which has downgraded the relevant Swap Counterparty becomes a co-obligor or guarantor of the obligations of such Swap Counterparty; or

(b) provide collateral in support of such Swap Counterparty's obligations under the relevant Swap Agreement in the amounts specified in such Swap Agreement; or

(c) subject to the restrictions on transfer described below, transfer all of its obligations with respect to the relevant Swap Agreement to a replacement third party which is rated no lower than the Swap Counterparty Minimum Long Term Ratings and the Swap Counterparty Minimum Short Term Ratings (as set out in the Swap Agreement); or

(d) take such other action as may be agreed with the relevant Rating Agency.

If such Swap Counterparty fails to take one of the actions described above within the applicable period of time following the Swap Counterparty Downgrade, then FinCo or the Financial SPV

Obligor that is party to the Swap Agreement will be entitled to terminate the relevant transactions under such Swap Agreement (such entitlement being subject to the requirement to find a replacement swap counterparty to the extent that termination of the relevant transactions under such Swap Agreement would result in a payment being due to the Swap Counterparty).

Intercreditor rights

All Swap Agreements will be secured by the Obligor Security. Swap Counterparties will not be entitled to vote on any issue (other than pursuant to its Blocking Rights as described in "Intercreditor arrangements – *Specific rights for Swap Counterparties and Liquidity Facility Providers*", page 184 above) pursuant to the Security Trust and Intercreditor Deed. As an Obligor Secured Creditor, each Swap Counterparty will be bound by the restrictions on taking action against Obligors otherwise than as permitted by the Security Trust and Intercreditor Deed.

Withholding Tax

All payments to be made by either party under the Swap Agreements are to be made without deduction or withholding for or on account of tax unless such deduction or withholding is required by applicable law.

If FinCo or the Financial SPV Obligor that is party to the Swap Agreement is required to make such a deduction or withholding from any payment to be made to any Swap Counterparty under any Swap Agreement, FinCo or the Financial SPV Obligor, as the case may be, will not be required to gross up payments to the Swap Counterparty in respect of the amounts so required to be withheld or deducted, but the Swap Counterparty will, if such deduction or withholding is as a result of a change in law (or the application or official interpretation thereof), have the right to terminate the relevant transactions under the Swap Agreement (subject to the Swap Counterparty's obligation to use reasonable efforts to transfer its rights and obligations in respect of such relevant transactions under the Swap Agreement to another office or to a third party swap provider such that payments made by or to that other office or third party swap provider in respect of such relevant transactions under the Swap Agreement can be made without any deduction or withholding for or on account of tax).

If any Swap Counterparty is required to make a deduction or withholding for or on account of an Indemnifiable Tax (as defined in the Swap Agreement) from any payment to be made to FinCo or the Financial SPV Obligor, as the case may be, under any Swap Agreement, the sum to be paid by the Swap Counterparty will be increased to the extent necessary to ensure that, after that deduction or withholding is made, the amount received by FinCo or the Financial SPV Obligor, as the case may be, is equal to the amount that FinCo or the Financial SPV Obligor, as the case may be, would have received had that deduction or withholding not been required to be made. If such deduction or withholding is as a result of a change in law (or the application or official interpretation thereof), the Swap Counterparty will in certain circumstances have the right to terminate the relevant transactions under the Swap Agreement (subject to the Swap Counterparty's obligation to use reasonable efforts to transfer its rights and obligations in respect of such relevant transactions under the Swap Agreement to another office or to a third party swap provider such that payments made by or to that other office or third party swap provider in respect of such relevant transactions can be made without any deduction or withholding for or on account of tax).

Transfers

A Swap Counterparty may, at its own cost, novate all its interest and obligations in and under the Swap Agreement to any third party provided that, amongst other requirements set out in the relevant Swap Agreement, such third party (or such third party's guarantor) is rated no lower than the Swap Counterparty Minimum Long Term Ratings and the Swap Counterparty Minimum Short Term Ratings specified by the Rating Agencies (as set out in the Swap Agreement), a Termination Event or an Event of Default (both as defined in the Swap Agreement) will not occur as a result of the transfer and no additional amount will be payable as a result of such transfer by the Obligor to the Swap Counterparty or the replacement swap counterparty on the next date on which payment will be made in respect of a transaction under the Swap Agreement. It will be a condition of transfer that the replacement swap counterparty accedes to the Security Trust and Intercreditor Deed and the Common Terms Agreement.

Governing Law

Each Swap Agreement is governed by English law.

K. TAX DEED OF COVENANT

The obligations of the Issuer, FinCo and the other Obligors under the Transaction Documents are supported by the Tax Deed of Covenant, under which the Issuer, FinCo, the Obligors and Land Securities Group PLC gave certain representations, warranties and covenants in relation to tax matters for the benefit of the Obligor Security Trustee and the Note Trustee.

Pursuant to the terms of the Tax Deed of Covenant, each of the Issuer, FinCo and the other Obligors made representations, warranties and covenants in relation to, among other things, the payment of tax by such companies, certain group tax matters, secondary tax liabilities and VAT grouping. Land Securities Group PLC also made certain representations, warranties and covenants relating to tax matters affecting the Issuer and the Security Group, including in relation to secondary tax liabilities.

The Tax Deed of Covenant also contains provisions requiring the funding and release of reserves in relation to certain taxes arising to an Obligor as a result of the making of disposals, the entry into of Specified Arrangements, entry into of certain other types of transaction (including contingent tax liabilities arising to Obligors as a result of certain intra-group transactions) and also certain tax disputes where the effect of such transactions might result in a liability to Tax that exceeds a specified minimum threshold. The Tax Deed of Covenant also sets out certain confirmations required to be given in relation to certain such transactions.

The Tax Deed of Covenant also contains provisions relating to the consequences for the Security Group where the entry into of a particular transaction at a time when the T1 or T2 Covenant Regime applies to the Security Group results in the operation of the Transaction LTV Test (in relation to the operation of the Transaction LTV Test, see "*The Transaction LTV Test*", page 129, above). If the operation of the Transaction LTV Test results in the Transaction LTV exceeding the T2 Threshold, the Tax Deed of Covenant contains provisions which determine the amount (if any) to be reserved in respect of Disposal Tax or Transaction Tax (as the case may be) with respect to the relevant transaction and the circumstances in which any such reserve may be released.

Governing Law

The Tax Deed of Covenant is governed by English law.

L. ISSUER DEED OF CHARGE

Issuer Security

The Notes and certain other obligations of the Issuer (including the amounts owing to the Note Trustee under the Trust Deed, to the Note Trustee and any receiver appointed under the Issuer Deed of Charge, to the Replacement Cash Manager and the Account Bank under the Account Bank and Cash Management Agreement and to the Agents under the Agency Agreement) are secured by, *inter alia*, the following security interests:

(a) a first fixed charge over the Issuer Accounts;

(b) an assignment by way of security of the interests of the Issuer under each Issuer Transaction Document (other than the Trust Deed and the Issuer Deed of Charge);

(c) an assignment and (in respect of the Issuer's Scottish assets) an assignation by way of security of the beneficial rights (and, in respect of the Issuer's Scottish assets, all rights) of the Issuer under the Obligor Transaction Documents; and

(d) a first floating charge over the whole of the Issuer's undertaking, assets, property and rights whatsoever and wheresoever, present and future, including its uncalled capital,

all as more particularly set out in the Issuer Deed of Charge.

Issuer Pre-Enforcement Priority of Payments

Except where the Issuer has received funds from FinCo in Prepayment of any ICL Loan (in which case those funds will be applied as described in the sections entitled "— *Prepayment of Non-Contingent Loans*", page 115, above and "— *Intercompany Loan Agreement*", page 216, above), prior to the delivery of a Note Enforcement Notice, amounts standing to the credit of the Issuer Accounts will be applied by the Issuer on each Note Payment Date in accordance with the following priority of payments (the "**Issuer Pre-Enforcement Priority of Payments**") in making payment of any amounts then due and payable (provided that payments may be made out of the Issuer Accounts other than on a Note Payment Date to satisfy liabilities in paragraphs (a)(ii) and (b) below:

(a) *first:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of (i) the amounts due in respect of Fees and Expenses payable to the Note Trustee, any Receiver under the Issuer Deed of Charge and the Trust Deed and (ii) the £1,000 deferred loan which the Issuer is obliged to make under the Obligor Floating Charge Agreement to each Additional Obligor on the date on which such Additional Obligor becomes a party to the Obligor Floating Charge Agreement;

(b) *second:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of any amounts due and owing by the Issuer:

(i) to third parties that have become payable under obligations incurred in the course of the Issuer's business other than as provided elsewhere in this Issuer Pre Enforcement Priority of Payments; and

(ii) in respect of all United Kingdom corporation tax and other tax under the laws of any jurisdiction for which, in each case, the Issuer is primarily liable;

(c) *third:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of any amounts which have become due and payable by the Issuer in respect of:

(i) Fees and Expenses of the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar incurred under the Agency Agreement;

(ii) Fees and Expenses of any Class R Agent under any Class R Underwriting Agreement;

(iii) Fees and Expenses of the Account Bank under the Account Bank and Cash Management Agreement; and

(iv) Fees and Expenses of the Replacement Cash Manager under the Account Bank and Cash Management Agreement;

(d) *fourth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Priority 1 Notes (other than any Note Step-Up Amounts);

(e) *fifth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Priority 2 Notes (other than any Note Step-Up Amounts);

(f) *sixth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal and all other amounts then due in respect of the Priority 1 Notes (other than any Note Step-Up Amounts);

(g) *seventh:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal due but unpaid in respect of the Priority 2 Notes (other than any Note Step-Up Amounts);

(h) *eighth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal due but unpaid in respect of the Subordinated Notes (other than any Note Step-Up Amounts);

(i) *ninth:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Priority 1 Notes;

(j) *tenth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Subordinated Notes (other than any Note Step-Up Amounts);

(k) *eleventh:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Priority 2 Notes;

(l) *twelfth:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Subordinated Notes; and

(m) *thirteenth:* the surplus (if any) to the Issuer or any other person entitled thereto.

Any Class of Subordinated Notes issued under the Programme will rank after the Priority 1 Notes and the Priority 2 Notes in point of security. The precise ranking of any Class of Subordinated Notes relative to any other Class of Subordinated Notes (in respect of the various categories of claims in respect thereof) will be designated in accordance with the Secondary Debt Rank to be made in accordance with the Common Terms Agreement (see "— *Ranking of Financial Indebtedness*", page 106, above).

Issuer Post-Enforcement Priority of Payments

All monies received or recovered by the Note Trustee or any Receiver appointed under the Issuer Deed of Charge following the enforcement of the Issuer Security will be applied in accordance with the following priority of payment (the "**Issuer Post-Enforcement Priority of Payments**"):

(a) *first:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of Fees and Expenses payable to the Note Trustee, any Receiver under the Issuer Deed of Charge and the Trust Deed;

(b) *second:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of any amounts which have become due and payable by the Issuer in respect of:

(i) Fees and Expenses of the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar incurred under the Agency Agreement;

(ii) Fees and Expenses of any Class R Agent under any Class R Underwriting Agreement;

(iii) Fees and Expenses of the Account Bank under the Account Bank and Cash Management Agreement; and

(iv) Fees and Expenses of the Replacement Cash Manager under the Account Bank and Cash Management Agreement;

(c) *third:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Priority 1 Notes (other than any Note Step-Up Amounts);

(d) *fourth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal and all other amounts then due in respect of the Priority 1 Notes (other than any Note Step-Up Amounts);

(e) *fifth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Priority 2 Notes (other than any Note Step-Up Amounts);

(f) *sixth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal due but unpaid in respect of the Priority 2 Notes (other than any Note Step-Up Amounts);

(g) *seventh:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of interest due but unpaid in respect of the Subordinated Notes (other than any Note Step-Up Amounts);

(h) *eighth:* in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal due but unpaid in respect of the Subordinated Notes (other than any Note Step-Up Amounts);

(i) *ninth:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Priority 1 Notes;

(j) *tenth:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Priority 2 Notes;

(k) *eleventh:* in or towards satisfaction of any amounts due in respect of any Note Step-Up Amounts in respect of Subordinated Notes; and

(l) *twelfth:* the surplus (if any) to the Issuer or any other person entitled thereto.

The precise ranking of any Class of Subordinated Notes relative to any other Class of Subordinated Notes (in respect of the various categories of claims in respect thereof) will be designated in accordance with the Secondary Debt Rank to be made in accordance with the Common Terms Agreement (see "— *Ranking of Financial Indebtedness*", page 106, above).

Governing Law

The Issuer Deed of Charge is governed by English law provided that certain terms thereof are governed by Scots law or Jersey law.

Chapter 5
Use of Proceeds

The net proceeds from each issue of Notes under the Programme (other than any Class R Notes, in the case of which some or all of the proceeds of issue may be applied in repurchasing the same in whole or in part on the relevant Issue Date) will be on-lent to FinCo under the terms of the Intercompany Loan Agreement to be applied by FinCo for the Security Group's lawful purposes, including the making of loans to Non-Restricted Group Entities and the payment of dividends and other Restricted Payments. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms. In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for Green Projects. Such Notes may also be referred to as **Green Bonds**. For further information in relation to how the proceeds of such Green Bonds may be used to fund eligible green projects that support the Landsec Group's business strategy, see "— *Green Bond Framework*, page 251, below).

Where Class R Notes are resold by the Issuer to the Class R Underwriters, the net proceeds of such sale will be applied in making a revolving loan to FinCo, pursuant to the Intercompany Loan Agreement, which will be available for any lawful purpose of FinCo.

Chapter 6
The Issuer

Introduction

Land Securities Capital Markets PLC was incorporated in England on 30 July 2004 under the Companies Act 1985 as a public company with limited liability under registered number 05193511. The registered office of the Issuer is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of the Issuer is 50,000 ordinary shares of a nominal or par value of £1 each, fully paid up. All of the issued ordinary shares are held by Land Securities PLC apart from two such shares, legal title to which is held by a nominee company on trust for Land Securities PLC.

Principal Activities

The Issuer was incorporated for the purpose of issuing the Notes.

The principal objects of the Issuer are set out in its Memorandum of Association and include carrying on the business of an investment company.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes, the other documents and matters referred to or contemplated in the Offering Circular and this Base Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer except in the circumstances set out in "− *Issuer Deed of Charge*", page 233, above.

The Issuer has covenanted to observe certain restrictions on its activities, which are set out in the Trust Deed.

Directors

The directors of the Issuer and their respective business addresses and occupations are:

Name	Business Address	Occupation
Rosalind Futter	100 Victoria Street, London SW1E 5JL	Group Finance Director, Landsec Group
Cassani Mairs	100 Victoria Street, London SW1E 5JL	Finance Transformation Director, Landsec Group
Leigh-Anne Sellars	100 Victoria Street, London SW1E 5JL	Finance Director - Urban Opportunities and Development, Landsec Group
Vanessa Simms	100 Victoria Street, London SW1E 5JL	Chief Financial Officer, Landsec Group
Martin Worthington	100 Victoria Street, London SW1E 5JL	Tax Director, Landsec Group

Leigh McCaveny is the Company Secretary.

The Issuer has no employees or premises. The Issuer maintains independent directors to ensure that its board exercises independent control. In addition, there are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or other duties.

Chapter 7
FinCo

Introduction

LS Property Finance Company Limited was incorporated in England on 25 June 2004 under the Companies Act 1985 as a private company with limited liability with registered number 05163698. The registered office of FinCo is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of FinCo is 100 shares of a nominal or par value of £1 each fully paid. All of the issued ordinary shares are held by Land Securities PLC.

Principal Activities

FinCo was incorporated for the purpose of entering into, and performing its obligations under, the Intercompany Loan Agreement with the Issuer, ACF Agreements with ACF Providers, Swap Agreements with the Swap Counterparties, Liquidity Facility Agreements with Liquidity Facility Providers and on-lending the proceeds of any loans from the Issuer or any ACF Provider to any Obligor.

The principal objects of FinCo are set out in its Memorandum of Association and include carrying on the business of an investment company.

FinCo has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation of the Intercompany Loan Agreement, the Initial ACF Agreement, the Existing ACF Agreements, any Further ACF Agreements and the other documents and matters referred to or contemplated in the Offering Circular or this Base Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

FinCo will covenant to observe certain restrictions on its activities which will be set out in the Common Terms Agreement.

Directors and Company Secretary of FinCo

The directors of FinCo and their respective business addresses are:

Name	**Business Address**	**Occupation**
Elizabeth Gillbe	100 Victoria Street, London SW1E 5JL	Group Financial Controller, Landsec Group
Cassani Mairs	100 Victoria Street, London SW1E 5JL	Finance Transformation Director, Landsec Group
Vanessa Simms	100 Victoria Street, London SW1E 5JL	Chief Financial Officer, Landsec Group
Rosalind Futter	100 Victoria Street, London SW1E 5JL	Group Finance Director, Landsec Group
Martin Worthington	100 Victoria Street, London SW1E 5JL	Tax Director, Landsec Group

LS Company Secretaries Limited is the Company Secretary.

FinCo maintains independent directors to ensure that its board exercises independent control. In addition, there are no potential conflicts of interest between any duties to FinCo of the directors of FinCo and their private interests and/or other duties.

Chapter 8
Land Securities Group PLC

Introduction

Land Securities Group PLC is a public company with limited liability incorporated in England on 7 February 2002 under the Companies Act 1985 with registered number 04369054 and whose registered office is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The ordinary share capital of Land Securities Group PLC is listed by the Financial Conduct Authority and is traded on the regulated market of the London Stock Exchange.

Land Securities Group PLC is the ultimate parent of the Landsec Group.

Major Shareholders

No one single shareholder holds more than 11% of the shares in Land Securities Group PLC. BlackRock Inc hold shares across six different funds, the largest holding being BlackRock Investment Management Ltd with 10.78%. The principal shareholders of the Land Securities Group PLC as at 31 March 2022 are as follows:

Blackrock, Inc.	10.78%
Government of Norway (via its funds)	9.16%
Schroders plc	5.12%
State Street Corporation	4.56%
The Vanguard Group Inc.	4.50%
Legal & General Group	3.35%

Directors and Company Secretary of Land Securities Group PLC

The directors of Land Securities Group PLC and their respective business addresses are:

Name	**Business Address**	**Occupation**
Nicholas Cadbury	100 Victoria Street, London SW1E 5JL	Non-executive Director
Edward Bonham Carter	100 Victoria Street, London SW1E 5JL	Non-executive Director
Madeleine Cosgrave	100 Victoria Street, London SW1E 5JL	Non-executive Director
Christophe Evain	100 Victoria Street, London SW1E 5JL	Non-executive Director
Manjiry Tamhane	100 Victoria Street, London SW1E 5JL	Non-executive Director
Cressida Hogg	100 Victoria Street, London SW1E 5JL	Chairman
Mark Allan	100 Victoria Street, London SW1E 5JL	Chief Executive Officer
Vanessa Simms	100 Victoria Street, London SW1E 5JL	Chief Financial Officer

Name	Business Address	Occupation
Colette O’Shea	100 Victoria Street, London SW1E 5JL	Chief Operating Officer

Leigh McCaveny is the Company Secretary.

There are no potential conflicts of interest between any duties to Land Securities Group PLC of the directors of Land Securities Group PLC and their private interests and/or other duties.

Chapter 9
Main Obligors

A. LAND SECURITIES PLC

Introduction

Land Securities PLC was incorporated in England on 1 July 1955 as a private company with limited liability with registered number 00551412. It was re-registered on 18 December 1981 as a public company with limited liability. The registered office of Land Securities PLC is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of Land Securities PLC is 530,791,385 ordinary shares of a nominal or par value of £1 each, fully paid up and one deferred ordinary share of £1 fully paid up. All of the issued ordinary shares are held by Land Securities Intermediate Limited apart from one ordinary share, legal title to which is held by Land Securities Group PLC.

Principal Activities

The principal objects of Land Securities PLC are set out in its Memorandum of Association and include carrying on the business of a property holding and investment trust company.

Directors and Company Secretary of Land Securities PLC

The directors of Land Securities PLC and their respective business addresses are:

Name	Business Address	Occupation
Mark Allan	100 Victoria Street, London SW1E 5JL	Group Chief Executive, Landsec Group
Rosalind Futter	100 Victoria Street, London SW1E 5JL	Group Finance Director, Landsec Group
Cassani Mairs	100 Victoria Street, London SW1E 5JL	Finance Transformation Director, Landsec Group
Vanesa Simms	100 Victoria Street, London SW1E 5JL	Chief Financial Officer, Landsec Group
Leigh-Anne Sellars	100 Victoria Street, London SW1E 5JL	Finance Director – Urban Opportunities and Development, Landsec Group
Martin Worthington	100 Victoria Street, London SW1E 5JL	Tax Director, Landsec Group

LS Company Secretaries Limited is the Company Secretary.

B. LS ONE NEW CHANGE LIMITED

Introduction

LS One New Change Limited was incorporated in England on 22 February 2001 as a private company with limited liability with registered number 04165856 under the Companies Act 1985.

The registered office of LS One New Change Limited is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of LS One New Change Limited is 233,500,001 shares of a nominal or par value of £1 each, fully paid up and held by LS London Holdings One Limited.

Principal Activities

The principal objects of LS One New Change Limited are set out in its Memorandum of Association and include carrying on the business of a property investment company.

Directors and Company Secretary of LS One New Change Limited

The directors of LS One New Change Limited and their respective business addresses are:

Name	**Business Address**	**Occupation**
Leigh McCaveny	100 Victoria Street, London SW1E 5JL	Interim Company Secretary, Landsec Group
Land Securities Management Services Limited	100 Victoria Street, London SW1E 5JL	Corporate Director
LS Director Limited	100 Victoria Street, London SW1E 5JL	Corporate Director

LS Company Secretaries Limited is the Company Secretary.

C. BLUECO LIMITED

Introduction

Blueco Limited was incorporated in England on 9 May 1996 as a private company with limited liability with registered number 03196199. The registered office of Blueco Limited is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of Blueco Limited is 10 ordinary A shares of a nominal or par value of £1 each and 249,999,990 ordinary B shares of a nominal or par value of £1 each, all of which have been issued and are fully paid up. All of the issued ordinary shares are held by Greenhithe Holdings Limited (Jersey) which is 100% owned by Land Securities Portfolio Management Limited.

Principal Activities

The principal objects of Blueco Limited are set out in its Memorandum of Association and include carrying on the business of a property investment company.

Directors and Company Secretary of BlueCo Limited

The directors of Blueco Limited and their respective business addresses are:

Name	Business Address	Occupation
Rosalind Futter	100 Victoria Street, London SW1E 5JL	Group Finance Director, Landsec Group
Land Securities Management Services Limited	100 Victoria Street, London SW1E 5JL	Corporate Director
LS Director Limited	100 Victoria Street, London SW1E 5JL	Corporate Director

LS Company Secretaries Limited is the Company Secretary.

D. LS HOTELS LIMITED

Introduction

LS Hotels Limited was incorporated in England on 10 January 2007 as a private company with limited liability with registered number 06046966. The registered office of LS Hotels Limited is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of LS Hotels Limited is 190,000,001 ordinary shares of a nominal or par value of £1 each, fully paid up. All of the issued ordinary shares are held by Land Securities Portfolio Management Limited.

Principal Activities

The principal objects of LS Hotels Limited are set out in its Memorandum of Association and include carrying on the business of a property investment company.

Directors and Company Secretary of LS Hotels Limited

The directors of LS Hotels Limited and their respective business addresses are:

Name	Business Address	Occupation
Leigh McCaveny	100 Victoria Street, London SW1E 5JL	Interim Company Secretary, Landsec Group
Land Securities Management Services Limited	100 Victoria Street, London SW1E 5JL	Corporate Director
LS Director Limited	100 Victoria Street, London SW1E 5JL	Corporate Director

LS Company Secretaries Limited is the Company Secretary.

E. THE CITY OF LONDON REAL PROPERTY COMPANY LIMITED

Introduction

The City of London Real Property Company Limited was incorporated in England on 11 April 1864 as a private company with limited liability with registered number 00001160. The registered office of The City of London Real Property Company Limited is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of The City of London Real Property Company Limited is 99,999,808 ordinary shares of a nominal or par value of £1 each, fully paid up. All of the issued ordinary shares are held by LS London Holdings One Limited.

Principal Activities

The principal objects of The City of London Real Property Company Limited are set out in its Memorandum of Association and include carrying on the business of a property investment company.

Directors and Company Secretary of The City Of London Real Property Company Limited

The directors of The City of London Real Property Company Limited and their respective business addresses are:

Name	Business Address	Occupation
Martin Worthington	100 Victoria Street, London SW1E 5JL	Tax Director, Landsec Group
Land Securities Management Services Limited	100 Victoria Street, London SW1E 5JL	Corporate Director
LS Director Limited	100 Victoria Street, London SW1E 5JL	Corporate Director

LS Company Secretaries Limited is the Company Secretary.

F. LS CARDINAL LIMITED

Introduction

LS Cardinal Limited was incorporated in England on 15 October 2010 as a private company with limited liability with registered number 07409594 under the Companies Act 2006. The registered office of LS Cardinal Limited is at 100 Victoria Street, London SW1E 5JL (telephone number +44 (0)20 7413 9000). The share capital of LS Cardinal Limited is 496,000,002 shares of a nominal or par value of £1 each, fully paid up and held by LS London Holdings One Limited.

Principal Activities

The principal objects of LS Cardinal Limited are set out in its Memorandum of Association and include carrying on the business of a property investment company.

Directors and Company Secretary of LS Cardinal Limited

The directors of LS Cardinal Limited and their respective business addresses are:

Name	**Business Address**	**Occupation**
Leigh McCaveny	100 Victoria Street, London SW1E 5JL	Interim Company Secretary, Landsec Group
Land Securities Management Services Limited	100 Victoria Street, London SW1E 5JL	Corporate Director
LS Director Limited	100 Victoria Street, London SW1E 5JL	Corporate Director

LS Company Secretaries Limited is the Company Secretary.

G. REMAINING OBLIGORS

As at the date of this Base Prospectus, the Issuer does not consider that a separate description of the further Obligors set out in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) is necessary information which is material to an investor in the Notes.

The remaining Obligors set out in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) are the legal owners of property assets which combined with properties owned by the main Obligors described in this Chapter 9 form the Security Group Total Collateral Value.

The remaining Obligors set out in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) are members of the Landsec Group, and the risk factors set out in Chapter 2, "*Risk Factors*" page beginning on page 42 above are to be understood accordingly.

Financial and statistical data relevant to the Obligors, including those Obligors in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) not specifically described in this Chapter 9, are set out in Chapter 12 "*Valuation of the Estate*", page 257, below.

Chapter 10
Landsec Group Business and Information regarding the Estate

Introduction

The Landsec Group is a property investment and development group operating only in the United Kingdom, providing commercial accommodation and property services to a wide range of occupiers across the UK. Its property holdings comprise investment properties together with operating properties.

The Landsec Group's investment properties are currently concentrated in two principal segments of the UK commercial property market. These are:

(a) Central London offices; and

(b) retail, which includes shopping centres, retail warehouses, out of town retail parks across the UK and Central London,

with a smaller portfolio of leisure and hotel properties and a stated strategic intention to diversify further into mixed-use urban neighbourhoods over time.

As at 31 March 2022, the Landsec Group's total investment portfolio was valued at £12,017 million. The investment portfolio comprised 152 assets. As at the date of this Base Prospectus, the majority of the Landsec Group's investment portfolio forms part of the Estate.

The Estate

Landsec Group is made up of two sub-groups: (i) the Security Group (comprising the Obligors and the Issuer) and (ii) the Non-Restricted Group.

The Estate comprised in the Security Group is the majority of the investment portfolio of the Landsec Group as a whole, comprising a portfolio of diverse property assets and rental income across all the sectors referred to in the section entitled "– Introduction" above.

At the date of this Base Prospectus, the Estate owned by the Security Group constitutes 120 Mortgaged Properties and six Further Credit Assets. According to the Valuation of the Estate as at 31 March 2022 (see Chapter 12 "*Valuation of the Estate*", page 257, below for a summary of thereof), the Market Value of the Mortgaged Properties comprised in the Estate and Further Credit Assets as at the date of valuation on 31 March 2022 was £11,240,779,000, the estimated net rental income was £509 million and the gross estimated rental value (including development sites) was £748 million. The estimated net rental income at the date of this Base Prospectus was £502 million and the gross estimated rental value (including development sites) was £753 million.

It is intended to actively manage the Estate and Further Credit Assets of the Security Group so as to enhance property asset values and future income generation, including but not limited to the use of selective acquisitions and disposals, investment in appropriate partnerships and joint ventures, refurbishment of the existing Estate where appropriate and ongoing development.

The Estate has characteristics that demonstrate the capacity to produce funds to service any payments due on the Notes.

Market Value of the Estate by Region and Sector

The table below shows the Market Value of the Estate and Further Credit Assets by Region and Sector as at 31 March 2022.

Market Value of the Estate and Further Credit Assets by Region and Sector

(As at 31 March 2022) % figures calculated by reference to the Market Value of the Estate and Further Credit Assets of £11,240,779,000 (as set out in the Valuation of the Estate as at 31 March 2022).

Property location	**Offices**	**Shops & Shopping Centres**	**Retail Warehouses**	**Residential**	**Leisure & Hotels**	**Total**
	%	%	%	%	%	%
London	59.2	11.5	0.3	0.5	3.2	74.8
South East & Eastern	0.1	8.2	3.2	-	2.5	14.0
Wales & South West	-	1.9	-	-	0.4	2.3
Midlands	-	-	0.6	-	0.6	1.2
North	0.1	3.9	-	-	1.7	5.6
Scotland	-	1.2	-	-	0.8	2.0
Total	59.5	26.8	4.1	0.5	9.1	100.0

Top Ten Properties by Market Value

The top ten properties by Market Value (according to the Valuation of the Estate as at 31 March 2022) that were comprised in the Estate and Further Credit Assets account for 44.1% of the Market Value of the Estate and Further Credit Assets.

Percentage of the Estate and Further Credit Assets by Market Value and number of Holdings

The table below shows the percentage of the Estate and Further Credit Assets by Market Value and number of holdings as at 31 March 2022.

Percentage of the Estate and Further Credit Assets by Market Value (as at 31 March 2022) and number of Holdings

£m	Value %	No. of Holdings
0-9.99	1.7	36
10-24.99	4.2	24
25-49.99	6.9	17
50-99.99	12.8	18
Over 100	74.4	31
	100.0	126

Top Three Tenants as a percentage of total Rental Income

The table below shows the top three tenants in relation to the Estate and Further Credit Assets as a percentage of total Rental Income as at 31 March 2022.

Top Three Tenants (as at 31 March 2022)	**Rental Income Paid as a percentage of total Rental Income of the Estate (Contracted Rent)**
The Secretary of State for Housing, Communities and Local Government	7.2%
Deloitte LLP	6.7%
Accor UK Business & Leisure Hotels	2.9%
TOTAL	**16.9%%**

Green Bond Framework

In November 2019 the Landsec Group produced a Green Bond framework which outlines how Landsec propose to use the proceeds of Green Bonds to fund eligible green projects that support the Landsec Group's business strategy. The Green Bond framework may be updated or replaced from time to time.

Proceeds from the issuance of Green bonds will be used to (re)finance, in part or in full, new and/or existing eligible green assets and eligible green projects. These include:

- Green buildings
- Renewable energy
- Energy efficiency
- Sustainable water and wastewater
- Waste management
- Clean transportation

Further details on the eligibility criteria for green assets and green projects is contained in the framework (as updated and/or replaced from time to time) which can be found on the Landsec website: https://landsec.com/investorsdebt-investors/green-bonds.

The Green Bond framework also outlines how Landsec will report on the allocation of Green Bond proceeds and the impact of the green assets/green projects. As at the date of this Base Prospectus the responsibility for setting the sustainability strategy and targets for the Landsec Group sits with the Executive Leadership Team, previously covered by the Sustainability Committee. A dedicated Green Bond Committee is responsible for identifying, selecting and monitoring eligible green assets and eligible green projects to be funded by Green Bonds.

The Green Bond framework has been reviewed by Sustainalytics, an independent environmental, social and governance research, ratings and analytics firm which provided a second party opinion and concluded that the framework is credible, robust and aligns with the four pillars of the International Capital Markets Association's Green Bond Principles 2018. This report is available on the Landsec website: https://landsec.com/investorsdebt-investors/green-bonds. Unless expressly incorporated by reference herein, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus. Any future updates to the Green Bond framework or its replacements are expected to undergo a similar assessment by a second party opinion provider, as applicable at the time.

Chapter 11
Certain Legislative Considerations

UK Tax - REITs

The group of companies of which Land Securities Group PLC is the principal company (for the purposes of section 606 of the Corporation Tax Act 2010) converted to real estate investment trust ("**REIT**") status on 1 January 2007. Broadly, the effect of being a REIT is that Land Securities Group PLC and certain of its subsidiaries the ("**LS REIT Group**") benefit from an exemption from corporation tax on income from property rental business (referred to as "qualifying rental income") and on the gains on disposal of investment properties that were used for the purpose of its property rental business or, from April 2019, a right or interest in a company which is UK property-rich to the extent, and in such proportion as, that company's assets are used for the purpose of the UK property business (such business of the LS REIT Group referred to as "tax exempt business"). For these purposes, a property rental business consists of every business which the LS REIT Group (or the company in which a right or interest is being disposed of by an LS REIT Group member) carries on for the purposes of generating income from land in the United Kingdom and abroad and every transaction which the group of companies enters into for that purpose, excluding certain non-qualifying activities and income. It should be noted that if a property was acquired by an LS REIT Group member, and then developed such that the cost of the development exceeds 30% of the fair value of the property at acquisition, the disposal of such property within 3 years of completion of the development to a person who is not a member of the LS REIT Group will not be treated as having been disposed of as part of the property rental business, and will therefore not benefit from the exemption with respect to any gains on the disposal. Corresponding rules have been introduced from April 2019 so that disposals of a right or interest in a UK property rich company, where such UK property rich company has acquired and developed one or more properties at a cost of more than 30% of the fair value of the property at acquisition, within 3 years of completion of the development, are also excluded from the exemption.

Since 1 January 2007 the LS REIT Group has satisfied the conditions set out in Part 12 of the Corporation Tax Act 2010 in each accounting period ended before the date of this Base Prospectus and has therefore maintained REIT status. One of the conditions of maintaining REIT status is the requirement to distribute at least 90% of the profits of the group's tax exempt business to shareholders (save in certain limited circumstances whereby there may be a requirement to distribute 100% of certain types of exempt profits). This is a requirement of Land Securities Group PLC, as the principal company of the LS REIT Group and there is no consequential legislative requirement for Obligors to make any such distribution (though if such Obligors were not to make sufficient distributions, Land Securities Group PLC may not be able to meet this requirement). However, failure to satisfy this distribution test results in a tax charge only in the principal company of the LS REIT Group. If the external interest cover ratio of the LS REIT Group's property rental business (which is calculated by dividing the group's property rental business profits by the total financing costs incurred in respect of the property rental business of the group, excluding intra-group financing costs) is less than 1.25 in respect of any accounting period (including as a result of borrowing by the Security Group), a tax charge calculated by reference to the excess interest or, if lower, 20 per cent. of the group's property rental business profits for accounting periods beginning on or after 17 July 2012, is imposed only on the principal company of the LS REIT Group.

Insolvency Considerations

Appointment of an Administrative Receiver

At any time after the Obligor Security has become enforceable, the Obligor Security Trustee (provided that it is indemnified and/or secured to its satisfaction) shall, as directed by a Secured Creditor Instruction, pursue a number of different remedies. One such remedy is (in relation to security held by the Obligor Security Trustee) the appointment of a receiver over specific property or (in relation to security held by the Obligor Security Trustee or the Issuer) over all, or part, of the Mortgaged Properties. Likewise, at any time after the Issuer Security has become enforceable, the Note Trustee may (provided it is indemnified and/or secured to its satisfaction) pursue a number of different remedies. One such remedy is the appointment of a receiver of all or part of the assets and undertaking of the Issuer.

The holder of a qualifying floating charge created on or after 15 September 2003 will be prohibited from appointing an administrative receiver and, consequently, will be unable to prevent the chargor entering into administration, unless the floating charge falls within one of the exceptions set out in Sections 72B to 72GA of the Insolvency Act.

The Insolvency Act also contains an out-of-court route into administration for a qualifying floating charge holder, the directors or the relevant company itself. Notice must be given to any person who is or may be entitled to appoint an administrative receiver and to a qualifying floating charge holder of the directors'/company's intention to appoint administrators out of court. During the notice period, the holder of the floating charge can either appoint an administrative receiver (if an exception applies), agree to the appointment of the administrator proposed by the directors or the company or appoint an alternative administrator; although the moratorium on enforcement of the relevant security will take effect immediately after a copy of the notice of intention to appoint is filed at court, this would not prevent the qualifying floating charge holder from taking the above steps during the notice period. If the qualifying floating charge holder does not respond to the directors' or company's notice of intention to appoint, the directors', or, as the case may be, the company's appointee may be appointed after the notice period has elapsed.

The administration provisions of the Insolvency Act give primary emphasis to the rescue of the company as a going concern. The purpose of realising property to make a distribution to one or more secured creditors is subordinated to the primary purposes of rescuing the company as a going concern or achieving a better result for the creditors as a whole than would be likely if the company were wound up (without first being in administration). No assurance can be given that the primary purposes of the provisions of the Insolvency Act will not conflict with the interests of Noteholders were the Issuer or FinCo ever subject to administration.

Administration

If the Obligor Security Trustee or the Note Trustee is prohibited from appointing an administrative receiver by virtue of the prohibition referred to above or fails to exercise its right to appoint an administrative receiver within the relevant notice period, and the Obligor or, as the case may be, the Issuer were to go into administration, the expenses of the administration would also rank ahead of the claims of the Obligor Security Trustee, the Issuer or the Note Trustee (as the case may be) as floating charge holder. Furthermore, in such circumstances, the administrator would

be free to dispose of floating charge assets without the leave of the court, although the Obligor Security Trustee, the Issuer or the Note Trustee (as the case may be) would have the same priority in respect of the property of the company representing the floating charge assets disposed of (if any) as it would have had in respect of such floating charge assets.

Recharacterisation of Fixed Security Interests

There is a possibility that a court could find that certain of the fixed security interests expressed to be created by the Obligor Security Documents which are governed by English law could take effect as floating charges notwithstanding that they are expressed to be fixed charges.

Where the chargor is free to deal with the charged assets without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the Obligor Security Trustee or, as the case may be, the Note Trustee has the requisite degree of control over the chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Obligor Security Trustee or, as the case may be, the Note Trustee in practice.

It should be noted that the Security Trust and Intercreditor Deed contain an express freedom granted to the Security Group freely to deal with its assets, save for where it is restricted from, amongst other things, disposing of Mortgaged Properties, changing the Sector allocated to a Mortgaged Property, disposing of shares in members of the Security Group and making withdrawals from Obligor Accounts by virtue of the existence of security interests over the Mortgaged Properties and the provisions of the relevant Obligor Transaction Documents (see further "— *Security Trust and Intercreditor Deed*", page 171, above). As a consequence of this express freedom to deal, the purported grant of a fixed charge by an Obligor over a particular asset may in practice take effect as a floating charge. Given the restrictions on dealings in relation to the Mortgaged Properties, the Disposal Proceeds Account, the Income Replacement Account, the Debt Collateralisation Account, the Tax Reserve Accounts and the Issuer Accounts, the fixed charges that are expressed to be granted in respect of them are likely to take effect as fixed security interests; although note that in situations where there is a purported fixed charge on a class of assets and, while the fixed nature of the charge is not capable of challenge in respect of some (even most) of the assets in the class, it is not fixed in respect of the rest of the assets in the class (for instance, as a result of a lack of control). In such a situation, the charge on the whole class of assets will likely be characterised as a floating charge.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors of the relevant Obligor or, as the case may be, of the Issuer in respect of that part of the Obligor's or, as the case may be, the Issuer's net property which is ring-fenced as a result of section 176A of the Insolvency Act, (ii) certain statutorily defined preferential creditors (including certain taxes owed to HMRC) of the relevant Obligor or, as the case may be, the Issuer and (iii) in the case of administration (or liquidation) of an Obligor or, as the case may be, the Issuer, the administrator (or liquidator, as appropriate) as regards their expenses, may have priority over the rights of the Obligor Security Trustee or the Note Trustee, as the case may be, to the proceeds of enforcement of such security.

It should be noted that there is no concept of recharacterisation of fixed security as floating charges under Scots law.

Foreign currency claims

Under English insolvency law, when submitting a claim (proving) in an administration or liquidation, any debt payable in a currency other than sterling must be converted into sterling at a rate determined by the office-holder by reference to the exchange rates prevailing on the date when the debtor went into liquidation or administration (as the case may be). This provision overrides any agreement between the parties. Accordingly, in the event that any of the Issuer or an Obligor as the case may be goes into administration or liquidation, Noteholders may be subject to exchange rate risk between the date that the Issuer or Obligor as applicable went into administration or liquidation and receipt of any amounts to which such Noteholders may become entitled (by way of a distribution in the administration or liquidation). The Supreme Court in Joint Administrators of LB Holdings Intermediate 2 Limited v The Joint Administrators of Lehman Brothers International (Europe) [2017] UKSC 38 confirmed that even if all provable debts and interest are paid to creditors in full during the course of an administration or liquidation, a creditor with a foreign currency claim that suffered loss as a result of the fall in sterling between the date of the liquidation or administration (as the case may be) and the date of the distribution may not recover for such loss.

Chapter 12
Valuation of the Estate

Chapter 12 consists of the CBRE Valuation Information for the entire Security Group Estate.

The valuation information for the properties which are included as Further Credit Assets ("**FCAs**") is given on a proportional consolidation basis, regardless of the contribution to the Total Collateral Value agreed with the Rating Agencies (85%-90% of Land Securities' share). This means that the contribution of FCAs to the Total Collateral Value will be lower than CBRE's valuation of the same. CBRE's valuation represents the market value of the portion of the FCAs owned by the Landsec Group. The contribution of the FCAs to the Total Collateral Value however will include a discount agreed with the Rating Agencies (a "**Valuation Haircut**") to reflect the fact that realising the full market value of the FCAs on sale may not be possible where the asset is not owned outright.

The valuation information presented in the rest of this Base Prospectus in respect of the FCAs has been adjusted to include the FCAs at both Land Securities' share of ownership and the agreed level of contribution to the Total Collateral Value.

CBRE

VALUATION REPORT

Date of Valuation: 31 March 2022

In respect of:

The Security Group Estate

On behalf of:

Land Securities Group Plc;
Land Securities Capital Markets PLC ("Issuer");
LS Property Finance Company Limited ("FinCo");
Deutsche Trustee Company Limited (in its capacity as Obligor Security Trustee and Note Trustee);
Lloyds Bank plc (in its capacity as Representative of the ACF Providers);
Banco Santander S.A. (in its capacity as Dealer);
Bank of China Limited, London Branch (in its capacity as Dealer);
BNP Paribas (in its capacity as Dealer);
Citigroup Global Markets Limited (in its capacity as Dealer);
Lloyds Bank Corporate Markets plc (in its capacity as Dealer);
NatWest Markets Plc (in its capacities as Arranger and Dealer); and
SMBC Nikko Capital Markets Limited (in its capacity as Dealer)

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Limited ("CBRE") exclusively for Land Securities Group PLC; Land Securities Capital Markets PLC ("Issuer"); LS Property Finance Company Limited ("FinCo"); Deutsche Trustee Company Limited (in its capacity as Obligor Security Trustee and Note Trustee); Lloyds Bank Plc (in its capacity as Representative of the ACF Providers); Banco Santander S.A. (in its capacity as Dealer); BNP Paribas (in its capacity as Dealer); Citigroup Global Markets Limited (in its capacity as Dealer); Lloyds Bank Corporate Markets plc (in its capacity as Dealer); NatWest Markets Plc (in its capacities as Arranger and Dealer); SMBC Nikko Capital Markets Limited (in its capacity as Dealer); and, Bank of China Limited, London Branch (in its capacity as Dealer) (together the "Client")

in accordance with the terms of engagement entered into between CBRE and the client dated 15 September 2015 and 24 July 2019 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to the Client, Addressees and to any Relying Parties howsoever arising under, in connection with or pursuant to this Report and/or the Instruction together, whether in contract, tort, negligence or otherwise shall not exceed:

- £100,000,000 (One Hundred Million British Pounds)

Subject to the terms of the Instruction, CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

If you are neither the Client, an Addressee nor a Relying Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

If another CBRE Group entity contributes to the preparation of the Report, that entity may co-sign the Report purely to confirm its role as contributor. The Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to such CBRE Group entity and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against such CBRE Group entity whether arising in contract, tort, negligence or otherwise. CBRE shall remain solely liable to the client in accordance with the terms of the Instruction

None of the information in this Report constitutes advice as to the merits of entering into any form of transaction.

If you do not understand this legal notice then it is recommended that you seek independent legal advice.

Contents

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VALUATION REPORT

Introduction

Report Date	20 July 2022
Valuation Date	31 March 2022
Addressee	The Directors Land Securities Group Plc 100 Victoria Street London SW1E 5JL Land Securities Capital Markets PLC ("Issuer") 100 Victoria Street London SW1E 5JL LS Property Finance Company Limited ("FinCo") 100 Victoria Street London SW1E 5JL Deutsche Trustee Company Limited (in its capacity as Obligor Security Trustee and Note Trustee) Winchester House 1 Great Winchester Street London EC2N 2DB Lloyds Bank Plc (in its capacity as Representative of the ACF Providers) 10 Gresham Street London EC2V 7AE Banco Santander S.A. (in its capacity as Dealer) Edificio Encinar Avenida de Cantabria 28660, Boadilla del Monte Madrid Bank of China Limited, London Branch (in its capacity as Dealer) 1 Lothbury London EC2R 7DB BNP Paribas (in its capacity as Dealer) 16, Boulevard des Italiens 75009 Paris France

Citigroup Global Markets Limited (in its capacity as Dealer)
Canada Square, Canary Wharf
London E14 5LB

Lloyds Bank Corporate Markets plc (in its capacity as Dealer)
10 Gresham Street
London EC2V 7AE

NatWest Markets Plc (in its capacities as Arranger and Dealer)
250 Bishopsgate
London EC2M 4AA

SMBC Nikko Capital Markets Limited (in its capacity as Dealer)
One New Change
London EC4M 9AF

For the attention of: Vanessa Simms

Terms	We refer to the Common Terms Agreement dated 3 November 2004, as amended from time to time, between, among others, Land Securities Capital Markets PLC, Land Securities PLC and Deutsche Trustee Company Limited ("the CTA") We are instructed by Land Securities Group PLC to report to you our opinion as to the value of those properties (the "Mortgaged Properties") comprised in the Estate owned by the Company and its subsidiaries in the Security Group as at 31 March 2022 (the "Measurement Date") We are also instructed by Land Securities Group PLC to report to you our opinion as to the value of those properties held in partnerships, interests of which have been included in the Security Group as Further Credit Assets ("FCA") (the "FCA Properties"), as defined in the CTA. We understand that our valuation is required for inclusion in a Base Prospectus to be published in connection with the issuance of further notes.
The Properties	The Security Group Estate comprising 120 Mortgaged Properties and 9 FCA Properties as detailed below.
Instruction	To value the unencumbered freehold, long leasehold and short leasehold interests in the Properties on the basis of Fair Value (IFRS 13) as at the Valuation date in accordance with the terms of engagement entered into between CBRE and the addressees dated 15 September 2015 and 24 July 2019.
Valuation Date	31 March 2022
Status of Valuer	You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards. Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
Purpose and Basis of Valuation	Secured Lending purposes only.

Fair Value in accordance with IFRS 13	**£10,442,299,000 (TEN BILLION FOUR HUNDRED AND FORTY-TWO MILLION TWO HUNDRED AND NINETY-NINE THOUSAND POUNDS)** exclusive of VAT, as shown in the Schedule of Capital Values set out below in respect of the Mortgaged Properties held by the company and its subsidiaries. **£887,200,000 (EIGHT HUNDRED AND EIGHTY-SEVEN MILLION TWO HUNDRED THOUSAND POUNDS)** exclusive of VAT, in respect of the Further Credit Assets (FCA) held by the company and its subsidiaries and shown at their shared ownership. We confirm that the "Fair Value" reported above, for the purpose of financial reporting under International Financial Reporting Standards (IFRS), is effectively the same as "Market Value". We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole. Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment structure, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation does not necessarily represent the value of the interests in the indirect investment structure through which the Property is held. Our opinion of Fair Value (IFRS 13) is based upon the Scope of Work and Valuation Assumptions attached – and has been primarily derived using comparable recent market transactions on arm's length terms.
Net Rental Income and Gross Rental Value	The Net Rental Income for The Mortgaged Properties as at 31 March 2022 was estimated at £461,175,189 per annum. The Gross Rental Value for The Mortgaged Properties as at 31 March 2022 was estimated at £690,620,628 per annum. The Net Rental Income for The FCA Properties as at 31 March 2022 was estimated at £52,939,650 per annum. The Gross Rental Value for The FCA Properties as at 31 March 2022 was estimated at £63,881,674 per annum. This reflects the company and its subsidiaries shared ownership.
Retail Occupational Market	The structural change in the retail occupational market has been ongoing in the UK for at least 5 years, in particular from the growth of on-line purchases leading to changing consumer behaviour, which has led to a number of retailers and food and beverage operators finding their margins under pressure as occupational costs rose. COVID-19 accelerated this situation. We anticipate there to be continued corrections in the retail sector as numerous rents are renegotiated and the move towards a turnover rent model or a combination of base rent and turnover rent remains. There are winning and losing categories with food and convenience retail performing better whilst fashion in particular continues to struggle. The shopping centre investment market has improved, predominantly in the prime and convenience sections of the market, but with limited debt available to support any acquisitions this has resulted in continued high yields when compared to historical levels.
Valuation Approach for Properties in Course of Development	In the case of properties in the course of development, where the residual method of Valuation is used, we should draw your attention to the fact that this approach is very sensitive to changes in key inputs. Small changes in variables such as sales volumes or build costs will have a disproportionate effect on land value as demonstrated below. Site values can therefore be susceptible to considerable variances as a result of changes in market conditions.
Building Safety– Market Uncertainty	In preparing our Valuation we have not been provided with any building/fire safety or cladding information. We have based our conclusions on Valuation due diligence only, including our inspections, and on the assumption that, if there are any fire safety issues affecting the subject properties, they will not impact on Valuation. This is not a guarantee

	that there are no fire safety risks associated with the construction of the external wall system, nor that remedial works will not be required in the future; nor that the cost of any necessary remedial works will not impact on value. Neither the individuals preparing the Valuation nor this firm shall have any liability to you, or to any third party with whom you share the Valuation, for any losses arising as result of the existence of any such fire safety risks requiring remediation, such that the above assumption turns out to be wrong.
Portfolios and Aggregation	We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.
Joint Tenancies and Indirect Investment Structures	Where a property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.
Tenure, Category, Region and Sector Analysis	The Mortgaged Properties comprise 120 holdings as recognised by the Company. The valuation of the Mortgaged Properties by tenure and use is shown in Appendix 1. Short leasehold properties are defined as those leasehold properties having an unexpired term of less than 50 years at the Valuation Date. In accordance with the Company's accounting policy, those leasehold properties having an unexpired term in excess of 900 years at the Valuation Date are included within the total for freehold properties. The Mortgaged Properties are categorised by the company as Investment Properties, Developments and Properties Held for Development as shown in Appendix 2. Those classed as Developments comprise part of the Company's Development Programme which includes projects which are completed but less than 95% let; developments on site; committed developments (being projects which are approved and the building contract let) and authorised developments (those projects approved by the board for which the building contract has not yet been let). The Mortgaged Properties are also categorised by Region and Sector (as defined in the CTA).
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") current as the Valuation Date.
	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.
	Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.
	This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.
Sustainability Considerations	Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses

	a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use. Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.
Climate Risk Legislation	The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline). We understand this to include an update to the Minimum Energy Efficiency Standards, stated to increase the minimum requirements from an E (since 2018) to a B in 2030. The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK's commitment to be Net Zero Carbon by 2050. This upcoming legislation could have a potential impact to future asset value. We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets. The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.
Assumptions	The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.
Variations and/or Departures from Standard Assumptions	None.
Verification	We recommend that before any financial transaction is entered into based upon these Valuations, you obtain verification of any third party information contained within our report and the validity of the assumptions we have adopted. We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this Valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.
Independence	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

Previous Involvement and Conflicts of Interest	CBRE provides Agency and other Professional Services to Land Securities Plc in respect of a number of the assets. We do not consider this to be a barrier to us valuing on your behalf. Where CBRE advises you on an acquisition, we recommend that you seek an alternative firm to value the asset at least once, in accordance with RICS guidelines. From time to time, CBRE Ltd advise various occupiers some of whom may have units in the Properties; an information barrier exists between the teams. We confirm copies of our conflict of interest checks have been retained within the working papers.
Disclosure	The principal signatory of this report has continuously been the signatory of Valuations for the same Addressee and Valuation purpose as this report since September 2021. CBRE Ltd has continuously been carrying out Valuation instructions for the Addressee of this report since 2015. CBRE Ltd has carried out Agency and Professional services on behalf of the Addressee for in excess of 20 years.
Reliance	This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
Alternative Investment Fund Managers Directive	We would draw your attention to the fact that where our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU (the Directive), concerning Alternative Investment Fund Managers (AIFM), applies, our role is limited to providing Valuations of individual property assets or liabilities (based on the assumptions as set out within our Valuation report) – not the net asset value (NAV) of either the Fund or the individual properties within the Fund. Furthermore, and for the avoidance of doubt, we are acting in the capacity of a "Valuation adviser" to the AIFM and not as an "external valuer" as defined in the Directive. Details of any limitations to our liability in respect of the Valuations we carry out are as set out within this report and our terms of engagement. You have confirmed that the "Valuation function" under the Directive is performed by the Alternative Investment Fund Manager of Land Securities Group PLC itself – not CBRE.
Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully

DocuSigned by:
2706D4D5C6FA40F...

Cheri Griffin
Director, MRICS
RICS Registered Valuer
For and on behalf of CBRE Limited

+44 20 7182 2378
cheri.griffin@cbre.com

Yours faithfully

DocuSigned by:
BC176B89A089409...

Charlotte Low
Senior Director
RICS Registered Valuer
For and on behalf of CBRE Limited

+44 20 7182 2953
charlotte.low@cbre.com

Source of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us by Land Securities Group Plc and their professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
Inspection	In accordance with your instructions, we inspect the Properties internally annually. A schedule of the most recent inspection dates and the names of the inspecting valuers is maintained within our working papers and can be made available if required.
Areas	We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.
Environmental Considerations	We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.
Services and Amenities	We understand that the Properties are located in an area served by mains gas, electricity, water and drainage. None of the services have been tested by us.
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have not undertaken planning enquiries.
Titles, Tenures and Lettings	Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants

Valuation Assumptions

Capital Values	The Valuation has been prepared on the basis of "Fair Value" in accordance with International Financial Reporting Standard 13 ("IFRS 13"), which is defined as: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." "Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined in the Red Book as: "The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital-based Government or European Community grants.
Rental Values	Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows: "The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
Fixtures, Fittings and Equipment	Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations. Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations. All measurements, areas and ages quoted in our report are approximate.
Environmental Matters	In the absence of any information to the contrary, we have assumed that: a) the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law; b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; c) in England and Wales, the Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission

	an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions; d) In January 2021 the Government closed the consultation period that focused on its latest proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals are wide ranging and they introduce new demands on residential landlords through Energy Performance Certificates ('EPCs'). Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028. The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite; compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication is (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they fail to meet or exceed the minimum EPC requirement. It is expected that the Government will respond to the consultation process in Q2/Q3 2021 with any new regulations taking effect in Q3/Q4 2021. At present it is not clear how the market would respond to these proposals were they to be implemented as currently drafted; neither do we have any visibility of changes that may be made to the proposals following the consultation process. Our Valuation reflects market conditions and regulations effective at the Valuation date; we make no additional allowances for any future works that may be required in order to ensure that the subject assets would remain lettable under revised regulations; e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and f) invasive species such as Japanese Knotweed are not present on the Properties. g) High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.
Repair and Condition	In the absence of any information to the contrary, we have assumed that: a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties; b) the Properties are free from rot, infestation, structural or latent defect; c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and d) the services, and any associated controls or software, are in working order and free from defect. We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise

	upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements	Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that: a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions; b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use; c) the Properties is not adversely affected by town planning or road proposals; d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place; e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK); f) all rent reviews are upward only and are to be assessed by reference to full current market rents; g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal; h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge; i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted; k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable. In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable

TENURE, CATEGORY, REGION AND SECTOR APPENDICES

APPENDIX 1

Land Securities PLC

The Mortgaged Properties - Valuation by Tenure and Sector

31 March 2022

PROPERTY TYPE	FREEHOLD	LEASEHOLD > 50 YEARS TO RUN	LEASEHOLD < 50 YEARS TO RUN	TOTAL	% OF TOTAL
Offices					
London	£4,159,070,000	£2,481,400,000	£0	£6,640,470,000	63.6%
Elsewhere in the UK	£15,270,000	£8,200,000	£0	£23,470,000	0.2%
Shops and Shopping Centres					
London	£696,200,000	£158,100,000	£0	£854,300,000	8.2%
Elsewhere in the UK	£1,156,070,000	£365,580,000	£0	£1,521,650,000	14.6%
Retail Warehouse and Food Superstores	£423,600,000	£42,600,000	£0	£466,200,000	4.5%
Residential	£60,660,000	£0	£0	£60,660,000	0.6%
Leisure and Hotels	£481,700,000	£393,750,000	£99,000	£875,549,000	8.4%
Percentage by Tenure	*67.0%*	*33.0%*	*0.0%*	*100.0%*	
Total	£6,992,570,000	£3,449,630,000	£99,000	£10,442,299,000	100.0%

Notes:

1) The Freehold totals include values of leaseholds with unexpired terms in excess of 900 years.

APPENDIX 2

Land Securities PLC

The Mortgaged Properties - Valuation by Category and Tenure

31 March 2022

CATEGORY	FREEHOLD	LEASEHOLD > 50 YEARS TO RUN	LEASEHOLD < 50 YEARS TO RUN	TOTAL	% OF TOTAL
Investment	£6,330,670,000	£2,716,230,000	£99,000	£9,046,999,000	86.6%
Development	£380,600,000	£733,400,000	£0	£1,114,000,000	10.7%
Held for Development	£281,300,000	£0	£0	£281,300,000	2.7%
Percentage by Tenure	*67.0%*	*33.0%*	*0.0%*	*100.0%*	
Total	£6,992,570,000	£3,449,630,000	£99,000	£10,442,299,000	

APPENDIX 3

Land Securities PLC

The Mortgaged Properties - Valuation by Region and Sector

31 March 2022

PROPERTY LOCATION	OFFICES	SHOPPING CENTRES & SHOPS	RETAIL WAREHOUSES	RESIDENTIAL	LEISURE & HOTELS	LOCATION TOTAL
London	£6,262,485,000	£1,262,225,000	£36,700,000	£51,660,000	£321,949,000	£7,935,019,000
South East & Eastern	£0	£810,530,000	£356,900,000	£9,000,000	£200,950,000	£1,377,380,000
Wales & South West	£0	£117,450,000	£0	£0	£56,300,000	£173,750,000
Midlands	£0	£0	£72,600,000	£0	£63,150,000	£135,750,000
North	£0	£449,000,000	£0	£0	£146,400,000	£595,400,000
Scotland	£0	£138,200,000	£0	£0	£86,800,000	£225,000,000
Total	£6,262,485,000	£2,777,405,000	£466,200,000	£60,660,000	£875,549,000	£10,442,299,000

Land Securities PLC

The Mortgaged Properties - Valuation by Region and Sector - %

31 March 2022

PROPERTY LOCATION	OFFICES	SHOPPING CENTRES & SHOPS	RETAIL WAREHOUSES	RESIDENTIAL	LEISURE & HOTELS	LOCATION TOTAL
London	60.0%	12.1%	0.4%	0.5%	3.1%	76.0%
South East & Eastern	0.0%	7.8%	3.4%	0.1%	1.9%	13.2%
Wales & South West	0.0%	1.1%	0.0%	0.0%	0.5%	1.7%
Midlands	0.0%	0.0%	0.7%	0.0%	0.6%	1.3%
North	0.0%	4.3%	0.0%	0.0%	1.4%	5.7%
Scotland	0.0%	1.3%	0.0%	0.0%	0.8%	2.2%
Total	60.0%	26.6%	4.5%	0.6%	8.4%	100.0%

APPENDIX 4

Land Securities PLC

The Mortgaged Properties - Value

31 March 2022

PROPERTY VALUE BRACKET	TOTAL VALUE	VALUE %	NUMBER OF PROPERTIES
< £10M	£188,274,000	1.8%	35
> £10M - < £25M	£473,570,000	4.5%	24
> £25M - < £50M	£773,325,000	7.4%	17
> £50M - < £100M	£1,381,950,000	13.2%	17
> £100M	£7,625,180,000	73.0%	27
Total	£10,442,299,000	100.0%	120

APPENDIX 5

Land Securities PLC

Security Group Estate Holdings - Top 10 Holdings by Value (LandSec Share)

31 March 2022

RANK	PROPERTY	LOCATION	REFERENCE	COMMENT
1	New Street Square (incl 1 New Street Square (formerly IPC Tower, 76 Shoe Lane))	London	6795/6805 & 6798	Completed in 2008 the property provides 64,791 sq m (697,399 sq ft), modern office accommodation together with ground floor retail and restaurant uses. Tenants include Deloitte, Taylor Wessing and Speechly Bircham. 1 New Street Square is a long leasehold asset with a tenure of 155 yrs from 15.09.2014 at 7% gearing. The building totals circa 275k sq ft and is 100% let to Deloitte until 2036 with an option to extend for a further 5 years. Rent reviews are 5 yearly, with first review in 2021 capped at 3.36% pa and collared at 1.11% pa collared, compounded over 5 yrs.
2	21 Moorfields	London	3115	
3	Cardinal Place	London	9478/9516	A major West End holding completed in 2005/6. The 62,325 sq m (670,868 sq ft) scheme comprises modern offices in three buildings with ground floor retail and ancillary uses including a major Marks and Spencer store and a number of restaurants.
4	Nova, Victoria	London	1875	Nova Phase 1 has completed and is a mixed-use scheme which comprises Nova South, Nova North and the residential building in a large public realm, (the residential element is excluded for this Appendix). Nova South and North provides 343,024 sq ft and 206,588 sq ft of modern Grade A office accommodation respectively. There are 5 retail units and 1 retail pavilion and basement ancillary space, whilst the residential building includes 6 retail units.
5	One New Change	London	6807 & 6797	A prominent island site overlooking St Paul's Cathedral. One New Change comprises circa 20,903 sq m (225,000 Sq ft) of retail and 30,658 Sq m (330,000 sq ft) of offices. Office tenants include K&L Gates, AXA and CME Operations Ltd.
6	Gunwharf	London	7576	A major waterfront designer outlet centre and leisure property built in 2001 providing a total over 48,500 sq m (525,000 Sq ft) with 87 shops, restaurants, bars and nightclub/leisure uses including a cinema, hotel and bowling alley. The scheme includes retailers including Polo Ralph Lauren, Michael Kors, Nike and Marks and Spencer.
7	Queen Anne's Mansions	South East & Eastern	7382	The property comprises an office building of 353,680 sq ft, which is entirely let to the Ministry of Justice unil 2028, with a break in 2026.
8	Piccadilly Lights	London	8558	Piccadilly Lights is an Iconic London Landmark overlooking Piccadilly Circus since 1908. In 2017 the screens were renovated to deliver Europe's most technically advanced digital screen providing six sections of screen, with a 4K resolution, covering circa 8,400 sq ft. Coca Cola, Samsung and Hyundai have taken long term (5 year) interests in screens 1, 2 and 3 whilst screens 4, 5 and 6 have been reserved for short term agreements.
9	62 Buckingham Gate	London	9493	62 Buckingham Gate is a 280,161 sq ft mixed use asset construction of which was completed in 2013. Arranged over basement, ground and 11 upper floors there is accommodation to provide offices on upper floors and four retail units. Currently fully let except for minor anicllary parts. The primary office tenant is Schlumberger. Retail tenants include Benugo, Leon, Mitchells & Butlers and Curzon Cinema.
10	The Zig Zag Building (including car park) [formerly Kingsgate House]	London	5611/5616	

APPENDIX 6

Land Securities PLC

The Mortgaged Properties - Valuation by Sector

31 March 2022

PROPERTY TYPE	FAIR VALUE £	NET RENTAL INCOME £ PA	GROSS RENTAL VALUE £ PA
Offices			
London	£6,640,470,000	£225,827,255	£411,243,288
Elsewhere in the UK	£23,470,000	-£260,126	£4,329,840
Shops and Shopping Centres			
London	£854,300,000	£42,340,979	£48,177,357
Elsewhere in the UK	£1,521,650,000	£115,176,156	£138,427,706
Retail Warehouse and Food Superstores	£466,200,000	£28,114,676	£29,302,170
Residential	£60,660,000	£1,029,985	£1,386,692
Leisure and Hotels	£875,549,000	£48,946,264	£57,753,575
Percentage by Tenure	*100.0%*	*100.0%*	*100.0%*
Total	**£10,442,299,000**	**£461,175,189**	**£690,620,628**

Chapter 13
Terms and Conditions of the Notes

Contents

Land Securities Capital Markets PLC (the "**Issuer**") has established a multicurrency programme (the "**Programme**") for the issuance of up to £7,000,000,000 Notes (the "**Notes**"). Notes issued under the Programme on a particular Issue Date comprise a Series (a "**Series**"), and each Series comprises one or more Classes of Notes (each a "**Class**"). Each Class may comprise one or more sub-classes (each a "**Sub-Class**").

A Class designation denotes priority ranking in point of security. First ranking Notes will be designated as "**Class A Notes**" or (if issued pursuant to a Class R Underwriting Agreement) as Class R1 Notes ("**Class R1 Notes**" and, together with the Class A Notes, the "**Priority 1 Notes**"), second ranking Notes will be designated as "**Class B Notes**" or (if issued pursuant to a Class R

Underwriting Agreement) as Class R2 Notes ("**Class R2 Notes**" and, together with the Class R1 Notes, the "**Class R Notes**", and the Class B Notes together with the Class R2 Notes, the "**Priority 2 Notes**") and any Notes issued in any Class or Classes of Notes designated as ranking below the Priority 2 Notes will be designated as the "**Subordinated Notes**".

A Sub-Class of Notes may have economic terms that differ from the other Sub-Class(es) of Notes in the same Class and each Sub-Class may therefore be denominated in a different currency or have different interest rates and/or interest payment dates, maturity dates or other terms. Notes of any Sub-Class may be zero coupon Notes ("**Zero Coupon Notes**"), fixed rate Notes ("**Fixed Rate Notes**"), floating rate Notes ("**Floating Rate Notes**"), index-linked Notes ("**Indexed Notes**"), or any other type of Note issued by the Issuer from time to time and may be denominated in sterling, euro, U.S. dollars or in other currencies subject to compliance with applicable law.

The terms and conditions applicable to any particular Sub-Class of Notes are these terms and conditions ("**Conditions**") as completed by a final terms relating to such Sub-Class substantially in the form of the *pro forma* final terms set out in the base prospectus as revised, supplemented or amended from time to time ("**Base Prospectus**") for the Notes ("**Final Terms**") or, in the case of Notes issued before 1 July 2005, a pricing supplement in which case, where the context requires or permits, a reference in these Conditions to Final Terms shall be a reference to such pricing supplement. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

The Final Terms for this Note complete these Conditions. Reference to "**Final Terms**" is to the Final Terms annexed to this Note.

The Notes are subject to and have the benefit of a trust deed dated 3 November 2004 (the "**Exchange Date**") (the "**Principal Trust Deed**"), such Principal Trust Deed and any subsequent supplemental trust deeds, the last dated 20 July 2022 (the "**Tenth Supplemental Trust Deed**" and, together with the Principal Trust Deed and any subsequent supplemental trust deeds, the "**Trust Deed**", as amended, supplemented, restated and/or novated from time to time) between the Issuer and Deutsche Trustee Company Limited as trustee for the Noteholders (the "**Note Trustee**", which expression includes the trustee or trustees of the Trust Deed from time to time).

The Notes have the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") dated 20 July 2022 between the Issuer, the Note Trustee, the Principal Paying Agent, the other Paying Agents, the Transfer Agents and the Registrar. As used herein, each of "**Principal Paying Agent**", "**Paying Agents**", "**Agent Bank**", "**Transfer Agents**" and/or "**Registrar**" means, in relation to the Notes, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Agent Bank, Transfer Agents and/or Registrar respectively and, in each case, any successor to such person in such capacity. The Notes 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 alios*, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the "**Calculation Agent**"). In these Conditions, "**Agents**" means the Principal Paying Agent, the Paying Agents, the Agent Bank, the Transfer Agents, the Registrar and any Calculation Agent and "**Agent**" means any of them.

On the Exchange Date, the Issuer entered into a loan agreement (the "**Intercompany Loan Agreement**") with LS Property Finance Company Limited ("**FinCo**") pursuant to which the Issuer will make loan advances to FinCo with the proceeds of any issue of Notes under the Programme. The obligation of FinCo to pay interest and/or repay principal under the Intercompany Loan Agreement will exclusively support the Issuer's obligations in respect of the Notes and will be secured pursuant to the Obligor Security Documents.

On the Exchange Date, the Issuer entered into an account bank and cash management agreement (the "**Account Bank and Cash Management Agreement**") with Lloyds Bank plc (the "**Account Bank**", which term shall include the successors or assignees thereof), Land Securities (Finance) Limited (the "**Cash Manager**"), FinCo, the Obligors, the Obligor Security Trustee (each as defined below) and the Note Trustee.

On the Exchange Date, the Issuer entered into a deed of charge (the "**Issuer Deed of Charge**") with, among others, the Note Trustee in its capacity as trustee for the Issuer Secured Creditors (as defined below), pursuant to which the Issuer grants fixed and floating charge security over all its assets and undertakings (the "**Issuer Security**") to the Note Trustee for itself and on behalf of the Noteholders, any receiver appointed under the Issuer Deed of Charge, each Agent, the Account Bank and any Replacement Cash Manager and any other creditors who accede to the Issuer Deed of Charge from time to time in accordance with the terms thereof (together, the "**Issuer Secured Creditors**").

On the Exchange Date, the Issuer entered into a security trust and intercreditor deed (the "**Security Trust and Intercreditor Deed**") with the Note Trustee, Deutsche Trustee Company Limited as security trustee for the Issuer and the other Obligor Secured Creditors (as defined in the Security Trust and Intercreditor Deed) (the "**Obligor Security Trustee**"), the Obligors (as defined in the Security Trust and Intercreditor Deed) and the other Obligor Secured Creditors, pursuant to which the Obligor Security Trustee holds the Obligor Security on trust for the Obligor Secured Creditors (including, save as regards the floating charges contained in the Security Trust and Intercreditor Deed, the Issuer) and the Obligor Secured Creditors (including the Issuer) agree to certain intercreditor arrangements.

On the Exchange Date, the Issuer entered into a floating charge agreement (the "**Obligor Floating Charge Agreement**") with the Note Trustee, the Obligor Security Trustee and the Obligors, pursuant to which the Issuer has the benefit of a first ranking floating charge over the whole of each Obligor's undertaking, assets, property and rights whatsoever and wheresoever, present and future.

On the Exchange Date, the Issuer entered into a common terms agreement (the "**Common Terms Agreement**") with the Note Trustee, the Obligor Security Trustee, the Obligors and the other Obligor Secured Creditors pursuant to which the Issuer has the benefit of certain representations, warranties and covenants made by the Obligors.

On the Exchange Date, certain Obligors granted standard securities (the "**Standard Securities**") over their real estate properties in Scotland, the benefit of which are held on trust in accordance with the Security Trust and Intercreditor Deed.

The Security Trust and Intercreditor Deed, the Obligor Floating Charge Agreement and the Standard Securities secure (*inter alia*) the obligations of FinCo under the Intercompany Loan Agreement, which (by virtue of the Issuer Deed of Charge) means that the Notes are indirectly secured by all the assets over which such security is created. The Issuer Deed of Charge enables the Note Trustee to exercise all of the Issuer's rights in respect of the Intercompany Loan Agreement and the security documents referred to above.

The Obligors (who have granted such security) will be affiliates of the Issuer, including in particular FinCo and Land Securities PLC.

On 20 July 2022 the Issuer entered into an amended and restated dealership agreement (as amended, supplemented and/or restated from time to time, the "**Dealership Agreement**") with the Obligors and the dealers named therein (the "**Dealers**") in respect of the Programme, pursuant to which any of the Dealers may enter into subscription agreements in relation to Classes or Sub-Classes of Notes (other than any Class R Notes) issued by the Issuer, and pursuant to which the Dealers agree to subscribe for the relevant Classes or Sub-Classes of Notes.

The Issuer may enter into an underwriting agreement (a "**Class R Underwriting Agreement**") with the underwriters named therein (the "**Class R Underwriters**"), pursuant to which the Class R Underwriters will agree to underwrite the issue and sale of Class R Notes.

On the Exchange Date, the Issuer entered into a deed of covenant (the "**Tax Deed of Covenant**") with the Note Trustee, the Obligor Security Trustee, the Obligors and Land Securities Group PLC.

The Trust Deed, the Notes (including the relevant Final Terms), the Agency Agreement, the Issuer Deed of Charge, the Security Trust and Intercreditor Deed, the Intercompany Loan Agreement, the Obligor Floating Charge Agreement, the Common Terms Agreement, the Account Bank and Cash Management Agreement and the Tax Deed of Covenant are together referred to as the "**Issuer Transaction Documents**".

Terms not defined in these Conditions have the meaning set out in the Trust Deed.

Certain statements in these Conditions are summaries of, and are subject to, the detailed provisions appearing in the Trust Deed, the Issuer Deed of Charge, the Agency Agreement, any Class R Underwriting Agreement, the Dealership Agreement or the other Issuer Transaction Documents. Copies of, *inter alia*, the Issuer Transaction Documents are available for inspection during normal business hours at the specified offices of the Paying Agents (in the case of Bearer Notes) or the specified offices of the Transfer Agents and the Registrar (in the case of Registered Notes) (each as defined below), save that, if this Note is an unlisted Note of any Sub-Class, the relevant Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Sub-Class and such Noteholder must provide evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity.

The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Final Terms and the provisions of the Agency Agreement applicable to them. In addition, the Noteholders are entitled to the benefit of, are bound by, and will be deemed to have notice of the provisions of the Issuer

Deed of Charge, the Intercompany Loan Agreement, the Common Terms 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.

1. Form, Denomination, Title

(a) *Form and Denomination*

The Notes will be issued either (i) in bearer form ("**Bearer Notes**"), serially numbered in a Specified Denomination (as specified in the Final Terms) or (ii) in registered form ("**Registered Notes**") serially numbered in the Specified Denomination or an integral multiple thereof. References in these Conditions to "**Notes**" include Bearer Notes and Registered Notes and all Sub-Classes, Classes and Series of Notes.

Interest bearing Bearer Notes (other than Class R Notes) 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 Note 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.

(b) *Title*

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

In these Conditions, subject as provided below, each "**Noteholder**", "**holder**" and "**Holder**" (in relation to a Note) means (i) in relation to a Bearer Note, the bearer of any Bearer Note and (ii) in relation to a Registered Note, the person in whose name a Registered Note is registered. The expressions "**Noteholder**", "**holder**" and "**Holder**" also include the holders of the Coupons (which, in relation to Class A Notes, will be "**Class A Coupons**", in relation to Class B Notes, "**Class B Coupons**", in relation to the Subordinated Notes, "**Subordinated Coupons**" and, together, the "**Coupons**") (if any) appertaining to interest bearing Bearer Notes (the "**Couponholders**") and the expression Couponholders includes the bearers of Talons in relation to Coupons (which, in relation to Class A Notes, will be "**Class A Talons**", in relation to Class B Notes, "**Class B Talons**", in relation to the Subordinated Notes, "**Subordinated Talons**" and together, the "**Talons**") (if any) for further Coupons attached to such Notes (the "**Talonholders**").

The bearer of any Bearer Note, Coupon or Talon and the registered holder of any Registered Note will (except as otherwise required by law) be deemed and 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 Note, 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 Note, a duly executed transfer of such Note in the form endorsed on the Note Certificate in respect thereof) and no person will be liable for so treating the holder.

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

A Sub-Class of Notes may comprise a number of issues of Notes of such Sub-Classes in addition to the initial issue of such Sub-Class, each of which will be issued on identical

terms and conditions save for the first Note Payment Date, the Issue Date and the Issue Price. Such further issues of the same Sub-Class will be consolidated with and form a single series with the prior issues of Notes of that Sub-Class.

2. Exchanges of Notes and Transfers of Registered Notes

(a) *Exchange of Notes*

Registered Notes may not be exchanged for Bearer Notes and vice versa.

(b) *Transfer of Registered Notes*

A Registered Note may upon the terms and subject to the conditions of the Agency Agreement be transferred upon the surrender of the relevant Individual Note 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 Note may not be transferred unless (i) the principal amount of Registered Notes to be transferred and (ii) the remaining principal amount of the Registered Notes (if any) 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 Notes represented by an Individual Note Certificate, a new Individual Note 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 Note Certificates*

Each new Individual Note Certificate to be issued upon transfer of Registered Notes will, 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, be available for delivery at the specified office of the Transfer Agent or the Registrar stipulated in the form of transfer, or be mailed at the risk of the Noteholder entitled to the Individual Note Certificate to such address as may be specified in such form of transfer. For these purposes, a form of transfer received by the Registrar after the Record Date (as defined in Condition 9(b) below) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar until the business day (as defined in Condition 9(g) below) following the due date for such payment.

(d) *No Charge*

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(e) *Closed Periods*

No transfer of a Registered Note may be registered during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount or Redemption Amount on that Note.

3. Status of Notes

(a) *Status of Class A Notes and Class R1 Notes*

This Condition 3(a) is applicable only in relation to Notes that are specified as being a Sub-Class of Class A Notes or Class R1 Notes in the relevant Final Terms.

The Class A Notes, Class A Coupons, Class A Talons and the Class R1 Notes will be direct and unconditional obligations of the Issuer, secured in the manner described in Condition 4 (*Security and Relationship with Issuer Secured Creditors*) and rank *pari passu* and *pro rata* without any preference among themselves.

(b) *Status of Class B Notes and Class R2 Notes*

This Condition 3(b) is applicable only in relation to Notes that are specified as being a Sub-Class of Class B Notes or Class R2 Notes in the relevant Final Terms.

Any Class B Notes, Class B Coupons, Class B Talons and the Class R2 Notes will be direct and unconditional obligations of the Issuer, secured in the manner described in Condition 4 (*Security and Relationship with Issuer Secured Creditors*) and subordinated to the Class A Notes, Class A Coupons, Class A Talons and the Class R1 Notes and rank *pari passu* and *pro rata* without any preference among themselves.

(c) *Status of Subordinated Notes*

This Condition 3(c) is applicable only in relation to Notes that are specified as being a Sub-Class of Subordinated Notes in the relevant Final Terms.

Any Subordinated Notes, Subordinated Coupons and Subordinated Talons will be direct and unconditional obligations of the Issuer, secured in the manner described in Condition 4 (*Security and Relationship with Issuer Secured Creditors*) and subordinated to the Class B Notes, Class B Coupons, Class B Talons and the Class R2 Notes and rank *pari passu* and *pro rata* without any preference among themselves. The precise ranking of the Subordinated Notes *vis-à-vis* any other Class of Subordinated Notes issued by the Issuer is as specified in the Final Terms.

The Issuer may after the Issue Date issue further Classes or Sub-Classes of Subordinated Notes which rank in priority to, *pari passu* and *pro rata* with, or subordinate to, the Subordinated Notes existing at the time of such issue provided that the Issuer may only issue further Classes or Sub-Classes of Subordinated Notes which rank in priority to Subordinated Notes existing at the time of such issue if such issue has been approved by an Extraordinary Resolution of the Noteholders of any Affected Class.

In these Conditions "**Affected Class**" means:

(i) in relation to the proposed introduction or change of any Secondary Debt Rank or Primary Debt Rank, each Sub-Class of Notes which corresponds to an ICL Loan which, as a result of such introduction or change, will become subordinated in point of security to any other Subordinated ICL Loan or Subordinated ACF Loan to which it is not then subordinated;

(ii) in relation to the proposed incurrence of any Subordinated Debt after a Subordinated Debt Split, each Sub-Class of Notes which corresponds to a Subordinated ICL Loan that will be subordinate in point of security to the Subordinated Debt proposed to be drawn;

(iii) in relation to the proposed change of the Primary Debt Rank of any ICL Loan, the Sub-Class of Notes which corresponds to such Loan; and

(iv) in relation to any proposal to use funds standing to the credit of a DCA Ledger in respect of an ICL Loan to Prepay any Loan other than such ICL Loan, the Sub-Class of Notes which corresponds to such ICL Loan.

(d) *Note Trustee not responsible for monitoring compliance*

The Note 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 Issuer Event of Default is outstanding. The Note Trustee shall be entitled to rely on such certificates absolutely. The Note Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Issuer Transaction Documents. The Note Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any two Authorised Signatories 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 Note Trustee may require to be satisfied. The Note 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 Note Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

4. Security and Relationship with Issuer Secured Creditors

(a) *Security*

As far as permitted by and subject to compliance with any applicable law and as continuing security for the payment and discharge of the Issuer's obligations in respect of the Notes and Coupons and in respect of the other Issuer Secured Creditors under the Issuer Transaction Documents (including the remuneration, fees, expenses and other claims of the Note Trustee under the Trust Deed, and of the Note Trustee and any Receiver appointed under the Issuer Deed of Charge, to any Replacement Cash Manager

and the Account Bank under the Account Bank and Cash Management Agreement and to the Agents under the Agency Agreement) (the "**Issuer Secured Liabilities**") the Issuer created the following security (the "**Issuer Security**") in favour of the Note Trustee for itself and on behalf of the other Issuer Secured Creditors (including, without limitation, the Note Trustee on behalf of the Noteholders) by execution of the Issuer Deed of Charge on the Exchange Date:

(i) a first fixed charge over the Issuer Accounts;

(ii) an assignment and assignation by way of security of the interest of the Issuer under each Issuer Transaction Document (other than the Trust Deed and the Issuer Deed of Charge);

(iii) an assignment by way of security of the beneficial interest of the Issuer under the Obligor Transaction Documents; and

(iv) a first floating charge over the whole of the Issuer's undertaking, assets, property and rights whatsoever and wheresoever, present and future, including its uncalled capital,

all as more particularly set out in the Issuer Deed of Charge.

All Notes issued by the Issuer under the Programme share in the Issuer Security as more particularly set out in the Issuer Deed of Charge.

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

Except where expressly provided otherwise in the Trust Deed and/or these Conditions, including Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as a single class as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee, but requiring the Note Trustee in any such case to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding if, in the Note Trustee's opinion, there is a conflict between the interests of the holders of such Class and any other Class of Notes then outstanding.

So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Trust Deed, the Note Trustee is only required to have regard to the interests of the Noteholders or, as the case may be, the holders of the Most Senior Class of Notes then outstanding and not to the interests of the other Issuer Secured Creditors.

The Trust Deed and these Conditions contain provisions limiting the powers of the holders of any Class of Notes other than the Most Senior Class of Notes, *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution which may affect the interests of the holders of each of the other Classes of Notes ranking equally with or senior to such Class. Except in certain circumstances set out in the Trust Deed and these Conditions (including Condition 15 (*Meetings of Noteholders,*

Modification, Waiver and Substitution)), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Notes, the exercise of which will be binding on all such holders, irrespective of the effect thereof on their interests.

In exercising its rights, powers, trusts, authorities, duties and discretions in accordance with this Condition 4, the Note Trustee shall disregard any Step-Up Amounts for the purposes of determining whether there are any Notes of a particular Class outstanding.

In these Conditions, "**Most Senior Class of Notes**" means (i) any outstanding Class A Notes and Class R1 Notes, or (ii) if no Class A Notes or Class R1 Notes are then outstanding, any outstanding Class B Notes and Class R2 Notes, or (iii) if no Class A Notes, Class R1 Notes, Class B Notes or Class R2 Notes are then outstanding, the most senior outstanding Class of the Subordinated Notes, in each case, if instructing, directing or requesting the Note Trustee on any matter, acting together whether by means of an Extraordinary Resolution or a written instruction, direction or request of the holders of at least one quarter of the principal amount of the relevant Class of Notes then outstanding.

(c) *Relationship with Obligor Secured Creditors*

The Security Trust and Intercreditor Deed will include provisions relating to the holding of meetings between the providers of secured finance to the Obligors and Noteholders and voting on certain issues concerning the Obligors.

(i) *Debtholders' Meetings*: On issues relating to the enforcement of the security interests granted by the Obligors, the acceleration of secured obligations owed by the Obligors, the removal of the Obligor Security Trustee and the appointment of any successor thereof, and the modification or waiver of the Financial Covenant (as defined in the Common Terms Agreement), the Obligor Security Trustee shall, in accordance with the Security Trust and Intercreditor Deed, hold a Debtholders' Meeting, at which certain Class(es) or Sub-Class(es) of Noteholders who are Qualifying Debtholders for the purpose of such Debtholders' Meeting ("**Qualifying Noteholders**") are eligible to vote (the composition of the Qualifying Debtholders (and hence Qualifying Noteholders) in respect of a Debtholders' Meeting being prescribed in the Security Trust and Intercreditor Deed). At any Debtholders' Meeting, the Note Trustee shall act as the Representative (as defined in the Security Trust and Intercreditor Deed) of such Qualifying Noteholders. The Note Trustee will vote on behalf of such Qualifying Noteholders in accordance with Condition 15(b) (*Debtholders' Meetings*) below, and any decision reached at a Debtholders' Meeting shall bind all Classes of Noteholders.

(ii) *Extraordinary Resolutions*: On issues relating to the modification of, the consents under, or the waivers in respect of breaches or potential breaches of, the Obligor Transaction Documents (including any Basic Terms Modification, the creation or modification of Primary Debt Ranks or Secondary Debt Ranks, consent for the Obligors to incur Subordinated Debt (as defined in the Common Terms Agreement) which rank prior to, or *pari passu* with, any Subordinated Notes), the Obligor Security Trustee may, in accordance with the Security Trust and

Intercreditor Deed, seek confirmation from the Note Trustee that the holders of the Most Senior Class of Notes then outstanding (or, in the case of a Basic Terms Modification, the holders of each Sub-Class of Notes, or in the case of the modification of Primary Ranks or the creation or modification of Secondary Debt Ranks, the holders of Notes comprised in any Affected Class) have passed an Extraordinary Resolution approving such modification, consent or waiver, in accordance with Condition 15(a) (*Meetings of Noteholders*). Any such Extraordinary Resolution shall bind all Noteholders.

(d) *Application Prior to Enforcement*

Prior to enforcement of the Issuer Security by the Note Trustee, the Cash Manager, on behalf of the Issuer, is required to apply funds available to the Issuer in accordance with the Issuer Pre-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

(e) *Enforceable Security*

In the event of the Issuer Security becoming enforceable as provided in Condition 11(b) (*Consequences of Notes becoming Due and Payable and Delivery of Note Enforcement Notice*) below, the Note Trustee may, at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights with respect to the Issuer Security, but it shall not be bound to do so unless instructed by the holders of the Most Senior Class of Notes then outstanding, and 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 Noteholder, provided that the Note Trustee shall not be obliged to take any action unless it is indemnified and/or secured to its satisfaction.

Although the Issuer holds certain floating charges granted by the Obligors under the Obligor Floating Charge Agreement (and the Note Trustee is an assignee by way of security of such floating charges pursuant to the Issuer Deed of Charge), the Issuer and the Note Trustee have agreed with the Obligor Security Trustee in the Obligor Floating Charge Agreement that any proceeds from the enforcement of the security contained in the Obligor Floating Charge Agreement shall be shared between the Issuer and the other Obligor Secured Creditors, by applying such proceeds towards the applicable priority of payments as set out in the Security Trust and Intercreditor Deed.

The Obligor Floating Charge Agreement also provides that the Note Trustee (as the assignee by way of security of the floating charges contained therein) is required to appoint an administrative receiver in respect of any Obligor if the Note Trustee has actual notice of an application for the appointment of an administrator or of the giving of notice of intention to appoint an administrator in respect of such Obligor, such appointment to take effect upon the final day by which the appointment must be made in order to prevent an administration from proceeding or (where an Obligor or the directors of an Obligor have initiated its administration) not later than that final day (and the Obligor Floating Charge Agreement provides that the Note Trustee shall agree that it is adequately indemnified and secured in respect of its making such appointment by virtue of its indemnification rights against the Issuer under the Issuer Deed of Charge and against

the Obligors under the Obligor Floating Charge Agreement, and the security it has in respect of those rights).

(f) *Application After Enforcement*

After enforcement of the Issuer Security in accordance with Condition 4(e) (*Enforceable Security*), the Note Trustee shall (to the extent that such funds are available) use all monies received or recovered by it under the Issuer Deed of Charge (except proceeds in respect of the floating charge contained in the Obligor Floating Charge Agreement) to make payments in accordance with the Issuer Post-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

(g) *Note Trustee not liable for security*

The Note 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 Note 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 whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Issuer Security. The Note Trustee has no responsibility for the value of any Issuer Security.

5. Issuer Covenants

So long as any of the Notes remain outstanding, the Issuer has agreed to comply with the covenants set out in the Issuer Deed of Charge.

The Note Trustee shall be entitled to rely absolutely on a certificate signed by two directors 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 Note other than (i) Zero Coupon Notes and (ii) any Class R Note for so long as it is held by the Issuer bears interest on its Principal Amount Outstanding (as defined below) from the Interest Commencement Date (as defined below) at the Interest Rate (as defined below), such interest being payable in arrear on each Note Payment Date (as defined below).

Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event

interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided in this Condition 6 to the Relevant Date (as defined below).

In the case of accrued interest on any Class of Notes other than the Most Senior Class of Notes (as defined in Condition 4(b) (*Relationship among Noteholders and with other Issuer Secured Creditors*) above) (or any accrued Note Step-Up Amount relating to the Most Senior Class of Notes), if, on any Note Payment Date prior to the delivery of a Note Enforcement Notice under Condition 11(a) (*Default Events*), there are insufficient funds available to the Issuer to pay such accrued interest or such accrued Note Step-Up Amount, the Issuer's liability to pay such accrued interest or accrued Note Step-Up Amount will be treated as not having fallen due and will be deferred until the earlier of: (i) the next following Note Payment Date on which the Issuer has, in accordance with the Issuer Pre-Enforcement Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); and (ii) the Note Payment Date following the full and final repayment of all Notes which rank in priority to such Notes. Any deferred interest on a Sub-Class of Notes shall be payable *pari passu* and *pro rata* with deferred interest on all other Sub-Classes of Notes in that Class. Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of such Notes.

In this Condition 6, "**Note Step-Up Amount**" means, in relation to any Sub-Class of Notes, the amount of the interest payable in respect thereof which represents either (i) an increase in Margin equal to the Note Step-Up Rate (where Condition 6(f)(i) (*Interest Rate Step-Up*) applies), or (ii) the Note Step Up Rate (where Condition 6(f)(ii) (*Interest Rate Step-Up*) applies), from a specific date, as specified in the relevant Final Terms; and "**Note Step-Up Rate**" means the rate specified in the relevant Final Terms as such.

(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 that 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 Notes*

Subject to Condition 6(f) (*Interest Rate Step-Up*) this Condition 6(c) is applicable only if the relevant Final Terms specifies the Notes as Floating Rate Notes.

Screen Rate Determination (EURIBOR)

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, the Interest Rate applicable to the Notes for each Note Interest Period will, subject as provided in Condition 6(n) (*Benchmark Replacement*) below, be (other than in respect of Notes for which SONIA is specified as the Relevant Rate in the relevant Final Terms) determined by the Agent Bank (or the Calculation Agent, if applicable) on the following basis:

(i) 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*) below);

(ii) in any other case, the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the Relevant Rates (as defined in Condition 6(j) (*Definitions*) below) which appear on the Relevant Screen Page as of the Relevant Time (as defined in Condition 6(j) (*Definitions*) below) on the relevant Interest Determination Date;

(iii) if, in the case of (i) 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, Issuer (or a third party agent appointed by the Issuer) will:

(1) request the principal Relevant Financial Centre office of each of the Reference Banks (as defined in Condition 6(j) (*Definitions*) below) 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 in Condition 6(j) (*Definitions*) 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 shall determine the arithmetic mean of such quotations; and

(iv) if by 5:00pm (local time in the Relevant Financial Centre of the Relevant Currency) on the Business Day following the relevant Interest Determination Date fewer than two such quotations are provided as requested in Condition 6(c)(iii), 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 Agent Bank (or the Calculation Agent, if applicable)) quoted by the Reference Banks, requested and selected by the Issuer (or a third party agent appointed by the Issuer), at approximately 11.00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the first day of the relevant Note Interest Period (as defined in Condition 6(j) (*Definitions*) below) for loans in the

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

and the Interest Rate for such Note Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined. However, if fewer than two such quotations are provided by 5:00pm (local time in the Relevant Financial Centre of the Relevant Currency) on the Business Day prior to the first day of the relevant Note Interest Period, the Interest Rate applicable to the Notes during such Note Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Note Interest Period.

Screen Rate Determination (SONIA)

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 the Relevant Rate specified in the relevant Final Terms is SONIA, the Interest Rate applicable to the Notes for each Note Interest Period will, subject as provided in Condition 6(n) (*Benchmark Replacement*) below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Agent Bank (or the Calculation Agent, if applicable).

In this Condition 6(c):

"**Compounded Daily SONIA**", with respect to a Note Interest Period, will be calculated by the Agent Bank (or the Calculation Agent, if applicable) on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \text{ x } n_i}{365}\right)-1\right] \text{x } \frac{365}{d}$$

"**d**" means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Note Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"$\mathbf{d_o}$" means the number of London Banking Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Note Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Note Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, where the Relevant Rate specified in the relevant Final Terms is SONIA, in respect of any Note Interest Period, the date falling "p" London Banking Days prior to the Note Payment Date for such Note Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

"**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;

"$\mathbf{n_i}$" for any London Banking Day "**i**", in the relevant Note Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Note Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Note Interest Period (and the first Note Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Note Payment Date for such Note Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Note Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") 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 is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIAi**" means the SONIA Reference Rate for:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant London Banking Day "i";

If, in respect of any London Banking Day in the relevant Note Interest Period or Observation Period (as applicable), the Agent Bank (or the Calculation Agent, if applicable) determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 6(n) (*Benchmark Replacement*), be:

(i) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate 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

(ii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference 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 Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).

Subject to Condition 6(n) (*Benchmark Replacement*), if the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6(c), the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Note Interest Period from that which applied to the last preceding Note Interest Period, the Margin relating to the relevant Note Interest Period, in place of the Margin relating to that last preceding Note Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Note Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Note Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Note Interest Period).

Notwithstanding the foregoing, but subject to Condition 6(n) (*Benchmark Replacement*) in the event of the Bank of England publishing guidance as to (i) how the SONIA reference is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or the Calculation Agent if applicable), as applicable, shall subject to receiving written instructions from the Issuer and to the extent reasonably practicable, follow such

guidance to determine SONIA reference rate for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

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 Notes for each Note Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Note Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions (as defined in Condition 6(j) (*Definitions*) below)) 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:

(iii) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(B) the Designated Maturity (as defined in the ISDA Definitions) is the Specified Duration (as defined in Condition 6(j) (*Definitions*) below); and

(C) the relevant Reset Date (as defined in the ISDA Definitions) unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;

(D) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in relevant Final Terms;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(iv) references in the ISDA Definitions to:

(A) "**Confirmation**" shall be references to the relevant Final Terms;

(B) "**Calculation Period**" shall be references to the relevant Note Interest Period;

(C) "**Termination Date**" shall be references to the Maturity Date;

(D) "**Effective Date**" shall be references to the Interest Commencement Date; and

(v) if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

No interest shall be payable on any Class R Notes while held by the Issuer.

(d) *Fixed Rate Notes*

Subject to Condition 6(f) (*Interest Rate Step-Up*), this Condition 6(d) is applicable only if the relevant Final Terms specifies the Notes as Fixed Rate Notes.

The Interest Rate applicable to the Notes for each Note Interest Period will be the fixed rate specified in the relevant Final Terms.

If the Notes are in definitive form, except as provided in the relevant Final Terms, the amount of interest payable on each Note Payment Date in respect of the Note Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of Interest on any Note Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

(e) *Indexed Notes*

Subject to Condition 6(f) (*Interest Rate Step-Up*), this Condition 6(e) is applicable only if the relevant Final Terms specifies the Notes as Indexed Notes.

Payments of principal on, and the interest payable in respect of, the Notes will be subject to adjustment for indexation as set out in Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(iii) (*Application of the Index Ratio*), as applicable. The Interest Rate applicable to the Notes for each Note Interest Period will be at the rate specified in the relevant Final Terms.

(f) *Interest Rate Step-Up*

(i) This Condition 6(f)(i) is applicable only if the relevant Final Terms specifies the Floating Rate Step-Up as applicable.

(a) From and including the Note Step-Up Date specified in the relevant Final Terms, the Interest Rate in respect of any Sub-Class of Notes that are specified in the Final Terms as Fixed Rate Notes, Indexed Notes or Zero Coupon Notes will be determined in accordance with the terms of Condition 6(c) (*Floating Rate Notes*), save that the Margin shall be increased by the Note Step-Up Rate specified in the Final Terms.

(b) From and including the Note Step-Up Date specified in the relevant Final Terms, the Margin shall be increased by the Note Step-Up Rate specified in the Final Terms in respect of any Sub-Class of Notes that are specified in the Final Terms as Floating Rate Notes.

(ii) This Condition 6(f)(ii) is applicable only if the relevant Final Terms specifies the Fixed Rate Step-Up as applicable. From and including the Note Step-Up Date specified in the relevant Final Terms, the Interest Rate in respect of any Sub-Class of Notes that are specified in the Final Terms as Fixed Rate Notes, Indexed Notes or Zero Coupon Notes will be the rate specified in the relevant Final Terms (or, in the case of Zero Coupon Notes, the Accrual Yield specified in the relevant Final Terms) plus the Note Step-Up Rate specified in the Final Terms.

(g) *Rounding*

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

(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 according to market convention; 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 that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(h) *Calculations*

Unless an Interest Amount is otherwise specified in respect of such period in the relevant Final Terms, in which case the amount of interest payable in respect of such Note for such Note Interest Period will equal such Interest Amount, the amount of interest payable in respect of the Notes for each Note Interest Period shall be calculated by multiplying the product of the Interest Rate and:

(i)

(a) in the case of Notes which are represented by a Global Note, the Principal Amount Outstanding of the Notes represented by such Global Note during that Note Interest Period; or

(b) in the case of Notes in definitive form where there is no Fixed Coupon Amount or Broken Amount specified in the applicable Final Terms, the Specified Denomination of such Note; and

(ii) the Day Count Fraction (as defined below),

and in the case of Indexed Notes only, adjusted according to the indexation set out in Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable).

(i) *Determination and Publication of Interest Rates, Interest Amounts and Redemption Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Cash Manager or the Agent Bank (or the Calculation Agent, if applicable), as applicable, may be required to calculate any Redemption Amount, in the case of the Cash Manager, or obtain any quote or make any determination or calculation, in the case of the Agent Bank (or the Calculation Agent, if applicable), the Agent Bank (or the Calculation Agent, if applicable) will determine the Interest Rate and calculate the amount of interest payable (the "**Interest Amounts**") for the relevant Note Interest Period (including, for the avoidance of doubt, any applicable Index Ratio to be calculated in accordance with Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable) and obtain such quote or make such determination or calculation, as the case may be, and the Cash Manager shall calculate the Redemption Amount.

The Agent Bank will cause the Interest Rate and the Interest Amounts for each Note Interest Period and the relevant Note Payment Date and, if required to be calculated, the Redemption Amount, or any Principal Amount Outstanding to be notified to, in the case of Bearer Notes, the Paying Agents or, in the case of Registered Notes, the Registrar and, in each case, the Note Trustee, the Issuer, the Noteholders and the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and each other listing authority, stock exchange and/or quotation system by which the relevant Notes have then been admitted to listing, trading and/or quotation as soon as possible after its determination but in no event later than (i) (in case of notification to Euronext Dublin and each other listing authority, stock exchange and/or quotation system on which the relevant Notes have then been admitted to listing, trading and/or quotation) the commencement of the relevant Note 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 Note 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 Note Interest Period. Any such amendment will be promptly notified to Euronext Dublin and each other listing authority, stock exchange and/or quotation system on which the relevant Sub-Class or Class of Notes are for the time being listed, traded and/or quoted or by which they have been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 16 (*Notices*). If the Notes become due and payable under Condition 11 (*Issuer Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously provided in accordance with this Condition 6 but no publication of the Interest Rate or the Interest Amount so

calculated need be made unless otherwise required by the Note Trustee. The determination of each Interest Rate, Interest Amount and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Agent Bank (or the Calculation Agent, if applicable), the Cash Manager or, as the case may be, the Note 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 and in the relevant Final Terms, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"**Business Day**" means a day which is:

(i) A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than the TARGET2 System) specified in the applicable Final Terms;

(ii) If TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a TARGET Settlement Day; and

(iii) either (a) in relation to any sum payable in a Relevant Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Relevant Currency or (b) in relation to any sum payable in euro, a TARGET Settlement Day;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting a Note 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 that would occur in one calendar 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 that would occur in one calendar 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 that would occur in one calendar 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 in the Final Terms or, if none is so specified, the Note Payment Date;

(ii) 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);

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

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

(v) if "30/360", "360/360" or "Bond Basis" is specified, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

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

"**Interest Commencement Date**" means, in respect of any Sub-Class of Notes, 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 a Note Interest Period in respect of any Sub-Class of Notes, the date specified as such in the relevant Final Terms or, if none is so specified, the day falling two Business Days in London prior to the first day of such Note Interest Period (or if the relevant currency is sterling the first day of such Note Interest Period) (as adjusted in accordance with any Business Day Convention (as defined above) specified in the relevant Final Terms);

"**Interest Rate**" means, in respect of any Sub-Class of Notes, the rate of interest payable from time to time in respect of such Notes 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 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Series of Notes of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" means, in respect of any Sub-Class of Notes, the date specified as such in the relevant Final Terms;

"**Margin**" means, in respect of any Sub-Class of Floating Rate Notes, the rate per annum (or otherwise as specified in the relevant Final Terms) (expressed as a percentage) specified as such in item 15(xi) of the relevant Final Terms and, for the purposes of Condition 6(f) (*Interest Rate Step-Up*), means the rate specified as such in item 16 of the relevant Final Terms;

"**Maturity Date**" means, in respect of any Sub-Class of Notes, the date specified in the relevant Final Terms as the final date on which the full principal amount of the Note is due and payable;

"**Note Interest Period**" means, in respect of any Sub-Class of Notes, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Note Payment Date and each successive period beginning on (and

including) a Note Payment Date and ending on (but excluding) the next succeeding Note Payment Date;

"**Note Payment Dates**" means, in respect of any Sub-Class of Notes, the dates specified as such in the relevant Final Terms;

"**Participating Member State**" means a Member State of the European Communities 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, at any date (a) in relation to a Note, the principal amount of that Note upon issue less any repayment of principal made to the Holder(s) thereof and (b) in relation to any Sub-Class or Class, the aggregate principal amount of all Notes in such Sub-Class or Class less any repayment of principal made to the Holder(s) thereof, provided that, in the case of (b) for the purposes of Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*) only, it shall exclude those Notes (if any) which are for the time being held by (1) the Issuer, any Obligor or any Non-Restricted Group Entity, (2) any person for the benefit of the Issuer or any of its subsidiaries or holding companies or any subsidiaries of any of its holding companies or (3) any person who has failed to surrender for repurchase any Class R Note on any Note Payment Date (other than where the Issuer was not obliged to repurchase the same);

"**Redemption Amount**" means, in respect of any Sub-Class of Notes, the amount provided under Condition 8 (*Redemption, Purchase and Cancellation*);

"**Reference Banks**" means the institutions specified as such or, if none, four major banks selected by the Issuer (or a third party agent appointed by the Issuer) in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate;

"**Relevant Currency**" means the currency specified as such or, if none is specified, the currency in which such Notes are denominated;

"**Relevant Date**" means, in respect of any Sub-Class of Notes, the earlier of (a) the date on which all amounts in respect of such Notes have been paid, and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Notes in accordance with Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*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 Noteholders in accordance with Condition 16 (*Notices*);

"**Relevant Financial Centre**" means, with respect to any Sub-Class of Notes, 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 (i) SONIA or (ii) EURIBOR, in each case for a Representative Amount of the Relevant Currency for a period (if applicable) equal to the Specified Duration, as specified in the relevant Final Terms;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service 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 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;

"**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 Note Interest Period;

"**TARGET Settlement Day**" means any day on which the TARGET2 System is open; and

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer system.

(k) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of a Note Interest Period in the applicable Final Terms, the Interest Rate for such Note Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Relevant Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Note Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Note Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Relevant Rate.

(l) *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 acting through the Agent Bank (or the Calculation Agent, if applicable) with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to this Note 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 acting through the Agent Bank (or the Calculation Agent, if applicable) 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 Note Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint 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.

(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 this Condition 6, whether by the Principal Paying Agent, the Agent Bank (or the Calculation Agent, the Note Trustee or the Cash Manager, if applicable), shall (in the absence of wilful default, negligence, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Note Trustee, the Cash Manager, the Principal Paying Agent, the other Agents and all Noteholders, Couponholders and other Issuer Secured Creditors and (in the absence as aforesaid) no liability to the Issuer, the Note Trustee, the Noteholders or the Couponholders shall attach to the Principal Paying Agent, the Cash Manager, the Agent Bank or, if applicable, any Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(n) *Benchmark Replacement*

Notwithstanding the provisions above in Condition 6(c) (*Floating Rate Notes*) if the Issuer determines that the relevant Relevant Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered when any Interest Rate (or the relevant component part thereof) remains to be determined by such Relevant Rate (a "**Benchmark Event**"), then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Note Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined

below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Interest Rate (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Relevant Rate for each of the future Note Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(n) (*Benchmark Replacement*)); provided, however, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Interest Rate applicable to the next succeeding Note Interest Period shall be equal to the Interest Rate last determined in relation to the Notes in respect of a preceding Note Interest Period (subject, where applicable, to substituting the Margin that applied to such preceding Note Interest Period for the Margin that is to be applied to the relevant Note Interest Period or Reset Period (as applicable)); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Note Interest Period only and any subsequent Note Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(n) (*Benchmark Replacement*));

(iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify amendments to these Conditions, the Trust Deed or the Agency Agreement (such amendments being "**Benchmark Amendments**", which for the avoidance of doubt shall not be treated as being within the scope of the Basic Terms Modifications), including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Relevant Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines 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 Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) is unable to determine the quantum of, or a

formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Agents (if required);

(v) At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Directors of the Issuer (i) confirming that a Benchmark Event has occurred, and (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Reference Rate, as the case may be, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and these Conditions), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way. For the avoidance of doubt, any Benchmark Amendments which would impose more onerous obligations upon an Agent or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agency Agreement shall require such Agent's written consent; and

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Trustee, the Principal Paying Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential Benchmark Amendments.

For the purposes of this Condition 6(n) (*Benchmark Replacement*):

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Relevant Rate with the Successor Rate or the Alternative Reference Rate (as applicable) 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 Relevant Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Relevant Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) determines has replaced the relevant Relevant Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Relevant Currency and of a comparable duration to the relevant Note Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Relevant Rate;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"**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; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable) determines is a successor to or replacement of the Relevant Rate which is formally recommended by any Relevant Nominating Body.

7. Indexation

(a) *Indexation of RPI Indexed Notes*

This Condition 7(a) is applicable only if the relevant Final Terms specifies (i) that the Notes are Indexed Notes and (ii) that the applicable Index is RPI (such Notes, the "**RPI Indexed Notes**").

(i) *Definitions*

"**Base Index Figure**" means (subject to Condition 7(a)(iii)(A) (*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(a)(iii)(A) (*Change in base*), the UK Retail Prices Index ("**RPI**") (for all items) published by the Office for National Statistics (January 1987 — 100) or any comparable index which may replace the UK Retail Prices Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Any reference in these Conditions and/or the relevant Final Terms to the "**Index Figure applicable**" to a month or date shall, subject in each case as provided in Condition 7(a)(iii) (*Changes in Circumstances Affecting the Index*) and 7(a)(v) (*Cessation of or Fundamental Changes to the Index*):

(A) if the relevant Final Terms specify the Index Figure applicable to a particular month, 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; or

(B) if the relevant Final Terms specify the Index Figure applicable to the first calendar day of any month, 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

(C) if the relevant Final Terms specify the Index Figure applicable to any other day in any month, be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the specified day falls, calculated as described in sub-paragraph (B) above, and (y) the Index Figure applicable to the first calendar day of the month following the month in which the specified day falls, calculated as described in sub-paragraph (B) above;

"**Index Ratio**" applicable to any month or date, as the case may be, means the Index Figure applicable to such month or date, as the case may be, divided by the Base Index Figure and rounded to the nearest fifth decimal place (0.000005 being rounded upwards);

"**Limited Index Ratio**" means (a) in respect of any month or date, as the case may be, prior to the relevant Issue Date (as defined in Condition 6(j) (*Definitions*)), the Index Ratio for that month or date, as the case may be; (b) in respect of any Limited Indexation Month or Limited Indexation Date after the relevant Issue Date, the product of the Limited Indexation Factor for that month or date, as the case may be, and the Limited Index Ratio as previously calculated in respect of the month or date, as the case may be, 12 months prior thereto; and (c) in respect of any other month,

or date, as the case may be, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month or Limited Indexation Date;

"**Limited Indexation Date**" means any date falling during the period specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

"**Limited Indexation Factor**" means, in respect of a Limited Indexation Month or Limited Indexation Date, as the case may be, the ratio of the Index Figure applicable to that month or date, as the case may be, divided by the Index Figure applicable to the month or date, as the case may be, 12 months prior thereto, **provided that** (a) if such ratio is greater than the Maximum Indexation Factor (if any) 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 (if any) 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 Notes**" means RPI Indexed Notes 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 index-linked 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 (an "**Indexation Adviser**").

(ii) *Application of the Index Ratio*

Each payment of interest and principal in respect of the RPI Indexed Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or (in the case of Limited Indexed Notes) the Limited Index Ratio applicable to the month or date, as the case may be, in or on which such payment falls to be made and rounded in accordance with Condition 6(g) (*Rounding*).

(iii) *Changes in Circumstances Affecting the Index*

(A) *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 month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be,(I) the definition of "**Index**" and "**Index Figure**" in Condition 7(a)(i) (*Definitions*) 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 (II) the new Base Index Figure shall be the product of the existing Base Index Figure (specified in the relevant Final Terms) and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.

(B) *Delay in publication of Index if sub-paragraph (A) of the definition of Index Figure is applicable*: If the Index Figure which is normally published in the seventh month and which relates to the eighth month (the "**relevant month**") before the month in which a payment is due to be made is not published on or before the fourteenth business day before the date on which such payment is due (the "**date for payment**"), the Index Figure applicable to the month in which the date for payment falls shall be (I) such substitute index figure (if any) as the Issuer considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, 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 or (II) 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(a)(iii)(A) (*Change in base*)) before the date for payment.

(C) *Delay in publication of Index if sub-paragraph (B) and/or (C) of the definition of Index Figure is applicable*: If the Index Figure relating to any month (the "**calculation 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**"), the Index Figure applicable for the relevant calculation month shall be (I) such substitute index figure (if any) as the Issuer considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, 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 or (II) 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(a)(iii)(A) (*Change in base*)) before the date for payment;

(iv) *Application of Changes*

Where the provisions of Condition 7(a)(iii)(B) (*Delay in publication of Index if sub-paragraph (A) of the definition of Index Figure is applicable*) or Condition 7(a)(iii)(C) (*Delay in publication of Index if sub-paragraph (B) and/or (C) of the definition of Index Figure is applicable*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be conclusive and binding. If, where an Index Figure has been applied pursuant to Condition 7(a)(iii)(B)(II) or Condition 7(a)(iii)(C)(II), as applicable, the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while a Note is still outstanding, then:

(A) in relation to a payment of principal or interest in respect of such Note other than upon final redemption of such Note, 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(a)(iii)(B)(II) or Condition 7(a)(iii)(C)(II), 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

(B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(v) *Cessation of or Fundamental Changes to the Index*

(A) If (I) the Note Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (II) 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 Note Trustee acting solely on the advice of the Indexation Adviser, be materially prejudicial to the interests of the relevant Noteholders, the Note Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Note Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Notes 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 relevant Noteholders 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.

(B) If the Issuer and the Note 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 (A), a bank or other person in London shall be appointed by the Issuer and the Note Trustee or, failing agreement on the making of such appointment within 20 business days following the expiry of the 20-business-day period referred to above, by the Note 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 Notes 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 relevant Noteholders 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 Note Trustee in connection with such appointment shall be borne by the Issuer.

(C) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Note 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 Note 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, the other Issuer Secured Creditors, the Note Trustee and the Noteholders, and the Issuer shall give notice to the Noteholders in accordance with Condition 16 (*Notices*) of such amendments as promptly as practicable following such notification.

(b) *Indexation of HICP Indexed Notes*

This Condition 7(b) is applicable only if the relevant Final Terms specifies (i) that the Notes are Indexed Notes and (ii) that the applicable Index is HICP (such Notes, the "**HICP Indexed Notes**" and, together with the RPI Indexed Notes, "**Indexed Notes**").

(i) *Definitions*

"**Base Index Figure**" means the Base Index Figure specified in the relevant Final Terms;

"**Index**" or "**Index Level**" means, subject as provided in Condition 7(b)(iii), the Non-revised Index of Consumer Prices excluding tobacco or relevant Successor Index (as defined in Condition 7(b)(iii)(C)), 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(b)(iii)(B)) shall be final and conclusive and later revisions to the level for such calculation month will not be used in any calculations. Any reference in these Conditions to the "**Index Level applicable**" to any day ("**d**") in any month ("**m**") shall, subject as provided in Condition 7(b)(iii), be calculated as follows:

$$I_d = HICP_{m-3} + \frac{nbd}{q_m} \times (HICP_{m-2} - HICP_{m-3})$$

where:

"$\mathbf{I_d}$" is the Index Level for the day d;

"$\mathbf{HICP_{m-2}}$" is the level of HICP for month m-2;

"$\mathbf{HICP_{m-3}}$" 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

"**q_m**" is the actual number of days in month m;

"**Index Business Day**" means a day on which the TARGET2 System is open;

"**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 Figure and rounded to the nearest fifth decimal place (0.000005 being rounded upwards); and

"**Related Instrument**" means an inflation-linked note selected by the Agent Bank (or the Calculation Agent, if applicable) 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 note maturing on the Maturity Date, or (C) the next shortest maturity before the Maturity Date if no note defined in (A) or (B) is selected by the Agent Bank (or the Calculation Agent, if applicable). The Agent Bank (or the Calculation Agent, if applicable) will select the Related Instrument from such of those inflation linked notes issued on or before the relevant Issue Date and, if there is more than one such inflation-linked note maturing on the same date, the Related Instrument shall be selected by the Agent Bank (or the Calculation Agent, if applicable) from such of those inflation linked notes. If the Related Instrument is redeemed the Agent Bank (or the Calculation Agent, if applicable) will select a new Related Instrument on the same basis, but selected from all eligible notes in issue at the time the originally selected Related Instrument is redeemed (including any note for which the redeemed originally selected Related Instrument is exchanged).

(ii) *Application of the Index Ratio*

Each payment of interest and principal in respect of the HICP Indexed Notes 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) (*Rounding*).

(iii) *Changes in Circumstances Affecting the Index*

(A) *Rebasing of the Index*: If the Agent Bank (or the Calculation Agent, if applicable) 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 the Index Level applicable to any date falling on or after the date of such rebasing; provided, however, that the Agent Bank (or the Calculation Agent, if applicable) 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.

(B) Delay in publication of Index:

(I) 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 applicable to any date (the "**Relevant Level**") has not been published or announced by the day that is five Business Days before the date on which the relevant payment is due (the "**Affected Payment Date**"), the Agent Bank (or the Calculation Agent, if applicable) shall determine a substitute Index Level (the "**Substitute Index Level**"), to be used in place of the Relevant Level for the relevant calculation month, by using the following methodology:

(1) if applicable, the Agent Bank (or the Calculation Agent, if applicable) 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 Agent Bank (or the Calculation Agent, if applicable) 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 for which the Substitute Index Level is being determined; 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 in respect of which the Latest Level was published or announced.

(II) If a Relevant Level is published or announced at any time on or after the day that is five Business Days prior to the Affected Payment Date, such Relevant Level will not be used in any calculations to be made pursuant to this Condition 7(b), and the Substitute Index Level determined pursuant to this Condition 7(b)(iii)(A) will be the definitive Index Level for the relevant calculation month.

(C) *Cessation of publication:*

(I) 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 Agent Bank (or the Calculation Agent, if applicable) shall determine a successor index (the "**Successor Index**") in lieu of any previously applicable Index by using the following methodology:

(1) if at any time (other than after an Early Termination Event (as defined below) has occurred pursuant to Condition 7(b)(iii)(C)(II) below) 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 the Successor Index for the purposes of all subsequent payments of interest and/or principal in respect of the Notes, notwithstanding that any other Successor Index may previously have been determined under paragraphs (2), (3) or (4) below; or

(2) if a Successor Index has not been determined under paragraph (1) above (and no Early Termination Event has occurred pursuant to Condition 7(b)(iii)(C)(II) below), and a notice has been given or an announcement has been made by Eurostat (or any successor entity which publishes the Index) specifying that the Index will be superseded by a replacement index specified by Eurostat (or any such successor), and the Agent Bank (or the Calculation Agent, if applicable) 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 Successor Index from the date that such replacement index comes into effect; or

(3) if a Successor Index has not been determined under paragraphs (1) or (2) above (and no Early Termination Event has occurred pursuant to Condition 7(b)(iii)(C)(II) below), the Agent Bank (or the Calculation Agent, if applicable) 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 Agent Bank (or the Calculation Agent, if applicable) will proceed to paragraph (4) below;

(4) if no Successor Index has been determined under paragraphs (1), (2) or (3) above on or before the fifth Index Business Day prior to the next Affected Payment Date the Agent Bank (or the Calculation Agent, if applicable) will determine an appropriate alternative index for such Affected Payment Date, and such index will be the Successor Index.

(II) If the Agent Bank (or the Calculation Agent, if applicable) determines that there is no appropriate alternative index as referred to in Condition 7(b)(iii)(C)(I)(4), the Issuer and the Note Trustee shall, in conjunction with the Agent Bank (or the Calculation Agent, if applicable), determine an appropriate alternative index and, if the Issuer and the Note Trustee, in conjunction with the Agent Bank (or the Calculation Agent, if applicable), do not reach agreement on an appropriate alternative index within a period of ten Business Days, then an "**Early Termination Event**" will be deemed to have occurred and the Issuer will redeem the Notes in accordance with Condition 8(d).

(A) *Material Modification Prior to Note Payment Date*: If, on or prior to the day that is five Business Days before a Note Payment Date, Eurostat announces that it will make a material change to the Index then the Agent Bank (or the Calculation Agent, if applicable) shall make any such adjustments to the Index consistent with adjustments made to the Related Instrument.

(B) *Manifest Error in Publication*: If, within thirty days of publication, the Agent Bank (or the Calculation Agent, if applicable) determines that Eurostat (or any successor entity which publishes the Index) has corrected the level of the Index to remedy a manifest error in its original publication, the Agent Bank (or the Calculation Agent, if applicable) will notify the Issuer and the Note Trustee of (1) that correction, (2) the amount that is payable as a result of that correction and (3) take such other action

as it may deem necessary to give effect to such correction.

Any amendments to the Index made pursuant to this Condition 7(b)(iii) shall be binding on the Issuer Secured Creditors, the Note Trustee, the Noteholders and the Issuer shall give notice to the Noteholders in accordance with Condition 16 (Notices) of such amendments as promptly as practicable following their determination

8. Redemption, Purchase and Cancellation

(a) *Scheduled Partial and Final Redemption*

Unless previously redeemed, or purchased and cancelled as provided below, each Note will be redeemed at its Principal Amount Outstanding (in the case of Indexed Notes as adjusted in accordance with Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable) on the date or dates (or, in the case of *Floating Rate Notes*, on the Note Payment Date(s)) specified in the relevant Final Terms plus accrued but unpaid interest (other than in the case of Zero Coupon Notes) and, in the case of Indexed Notes, as adjusted in accordance with Condition 7(a)(ii) (*Application of the Index Ratio* or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable).

(b) *Optional Redemption*

Subject as provided below and if an Issuer Call Option is specified in the relevant Final Terms, upon giving not more than 60 nor less than 30 days' notice to the Note Trustee and all of the Noteholders in accordance with Condition 16 (*Notices*), the Issuer may (prior to the Maturity Date) redeem any Sub-Class of the Notes in whole or in part (but on a *pro rata* and *pari passu* basis only) on any Optional Redemption Date at their Redemption Amount (provided that Floating Rate Notes may not be redeemed before the date (if any) specified in the relevant Final Terms) as follows:

(i) in respect of Fixed Rate Notes:

(A) if Swap Mid Curve Amount is specified in the relevant Final Terms as the Redemption Amount the Redemption Amount will be an amount equal to the higher of (i) the Principal Amount Outstanding of the Notes or the relevant portion thereof to be redeemed and (ii) an amount calculated with reference to the remaining Duration of the Notes by multiplying the Principal Amount Outstanding of such Notes by that price (expressed as a percentage) (as reported in writing to the Issuer and the Note Trustee by the Financial Adviser (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Notes on the Relevant Date (as defined below) is equal to the Redemption Rate (as defined below), plus, in either case, accrued but unpaid interest on the Principal Amount Outstanding of such Notes to (but excluding) the date of redemption, provided that, in any case where Condition 6(f) (*Interest Rate Step-Up*) applies, from and including the

date which is two years prior to the Maturity Date, the Redemption Amount shall be equal to the Principal Amount Outstanding of the Notes or the relevant portion thereof to be redeemed plus accrued but unpaid interest on such amount to (but excluding) the date of redemption.

For the purposes of this Condition 8(b)(i)(A):

"**Duration**" means, in relation to the relevant Notes, the remaining period (expressed in years) between the date of redemption for such Notes pursuant to this Condition 8(b)(i)(A) and the Maturity Date, or in any case where Condition 6(f) (*Interest Rate Step-Up*) applies, the Note Step-Up Date, in each case determined by reference to the remaining days in such period divided by 365 (rounded to three decimal places);

"**Gross Redemption Yield**" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries, as reported in the Journal of the Institute of Actuaries, Volume 105, Part 1, 1978, page 18 or such other basis as the Note Trustee may approve;

"**Interpolated Rate**" is the rate that will be determined by the Mid-Swap Financial Adviser to be used as the Relevant Mid-Swap Rate:

(1) by way of reference to the mid-swap rate on the Mid-Swaps Screen Page for the tenor that exactly matches the Duration of the Notes (the "**Exact Quotation**"); or

(2) if the Interpolated Rate cannot be determined in accordance with paragraph (1) above, by way of reference to:

(A) the mid-swap rate on the Mid-Swaps Screen Page for the tenor most closely matched to the Duration of the Notes which is shorter than such Duration or, in the case where Notes have a Duration of less than 1 year, zero (such shorter tenor (expressed in years) referred to as the "**Lower Duration**" (which, for the avoidance of doubt, shall be zero where the Duration in relation to the Notes is less than 1 year)) (the "**Lower Quotation**"); and

(B) the mid-swap rate on the Mid-Swaps Screen Page for the tenor most closely matched to the remaining Duration of the Notes which is longer than such Duration (such longer tenor (expressed in years) referred to as the "**Higher Duration**") (the "**Higher Quotation**").

The Mid-Swap Financial Adviser will then calculate the Interpolated Rate by:

(i) subtracting the Lower Quotation in sub-paragraph (A) above from the Higher Quotation in sub-paragraph (B) above and multiplying the result of that subtraction by the Maturity Weight; and

(ii) adding the result of (i) to the Lower Quotation;

"**Maturity Weight**" means the amount, expressed as a percentage (and rounded to three decimal places), calculated as:

(i) the Duration minus the Lower Duration, divided by

(ii) the Higher Duration, minus the Lower Duration;

"**Mid-Swap Financial Adviser**" means an independent financial institution of international repute, or other independent financial adviser experienced in the international debt capital markets, nominated by the Issuer and approved by the Note Trustee which has been appointed at the Issuer's cost; *provided that* none of the Agents nor the Note Trustee shall be obliged to perform such role;

"**Mid-Swaps Screen Page**" means:

(i) the page on which rates for sterling mid-swap rates (specifically being the mid-rate for a pound sterling fixed-for-floating interest rate swap where the floating leg pays overnight SONIA compounded in arrears for twelve months annually and the fixed leg pays a fixed rate annually) appear, as published by ICE Benchmark Administration Limited (or any successor) ("**ICE**") on the Relevant Date and displayed as at 2.00 p.m. (London time) on such Relevant Date on such Bloomberg or Reuters page or the web-site maintained by ICE or, as the case may be, such other information service that may replace Bloomberg or Reuters, in each case as may be nominated by ICE Benchmark Administration Limited; or

(ii) where the published sterling mid-swap rates for the Exact Quotation, failing which, Lower Quotation (except where the Duration is less than 12 months) and/or Higher Quotation are not available for the Relevant Date in accordance with paragraph (i) above, the sterling mid-swap rates of TP ICAP (specifically being the mid-rate for a pound sterling fixed-for-floating interest rate swap where the floating leg pays overnight SONIA compounded in arrears for twelve months annually and the fixed leg pays a fixed rate annually), as published on the Bloomberg <ICAB> page as at 2.00 p.m. (London time) on the Relevant Date; or

(iii) in the event neither (i) nor (ii) is available, any alternative or successor provider for the publication of such rate as is in customary market usage in the international debt capital markets as determined by the Mid-Swap Financial Adviser;

"**Redemption Rate**" means the aggregate of the Relevant Mid-Swap Rate and (where specified in the relevant Final Terms) the Redemption Margin;

"**Relevant Date**" means the date which is two Business Days prior to the publication or dispatch of the notice of redemption under this Condition 8(b); and

"**Relevant Mid-Swap Rate**" shall be the Interpolated Rate (converted to a semi-annual rate in accordance with market convention), as determined by the Mid-Swap Financial Adviser or, if a Mid-Swap Replacement Event (as defined in Condition 8(b)(i)(E) below) has occurred and is continuing at such time on the Relevant Date, the replacement rate determined in accordance with Condition 8(b)(i)(E) below, which replacement rate shall be converted (if applicable) to a semi-annual rate by the Mid-Swap Financial Adviser in accordance with market convention.

(B) If Spens Amount is specified in the relevant Final Terms as the Redemption Amount, the Redemption Amount will be an amount equal to the higher of (i) the Principal Amount Outstanding of the relevant Notes or the relevant portion thereof to be redeemed and (ii) an amount calculated by multiplying the Principal Amount Outstanding of such Notes by that price (as reported in writing to the Issuer and the Note Trustee by a Financial Adviser) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Spens Gross Redemption Yield on the Notes on the Reference Date is equal to the Spens Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by a Financial Adviser.

(C) If Make-Whole Amount is specified in the relevant Final Terms as the Redemption Amount, the Redemption Amount will be an amount calculated by the Agent Bank (or Calculation Agent, if applicable) equal to the higher of (i) the Principal Amount Outstanding of the Notes or the relevant portion thereof to be redeemed and (ii) the sum of the present values of the Principal Amount Outstanding of the relevant Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

For the purposes of Condition 8(b)(i)(A), Condition 8(b)(i)(B) and Condition 8(b)(i)(C):

"**Financial Adviser**" means any financial adviser appointed by the Issuer;

"**FA Selected Bond**" means a government security or securities selected by a Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

"**Redemption Margin**" shall be as set out in the relevant Final Terms;

"**Reference Bond**" shall be as set out in the relevant Final Terms or the FA Selected Bond;

"**Reference Bond Price**" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"**Reference Date**" will be set out in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the relevant Final Terms on the Reference Date quoted in writing to the Agent by such Reference Government Bond Dealer;

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 8(b); and

"**Spens Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by a Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*"

(published 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may determine (acting solely on the advice of a Financial Adviser).

(D) If Fixed Amount is specified in the relevant Final Terms as the Redemption Amount, the Redemption Amount will be the Principal Amount Outstanding of the relevant Notes (plus any premium for early redemption specified in the relevant Final Terms).

(E) If Swap Mid-Curve Amount is specified in the relevant Final Terms as the Redemption Amount and a Mid-Swap Replacement Event has occurred and is continuing at any time when the Redemption Amount falls to be calculated in accordance with Condition 8(b)(i)(A), this Condition 8(b)(i)(E) shall apply.

Terms defined in Condition 8(b)(i)(A) shall have the same meanings when used in this Condition 8(b)(i)(E).

(1) *Independent Adviser*

The Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), a Successor Mid-Swap Rate, failing which an Alternative Mid-Swap Rate for purposes of determining the Redemption Rate.

(2) *Redemption Rate Adjustment Spread*

If the Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) determines that a Redemption Rate Adjustment Spread is required to be applied to the Successor Mid-Swap Rate or the Alternative Mid-Swap Rate, the Interpolated Rate, the Relevant Mid-Swap Rate and/or the Redemption Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Redemption Rate Adjustment Spread, then such Redemption Rate Adjustment Spread shall be applied to the Successor Mid-Swap Rate or the Alternative Mid-Swap Rate, the Interpolated Rate, the Relevant Mid-Swap Rate and/or the Redemption Rate (as applicable).

If the Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) is unable to determine the quantum of, or a formula or methodology for determining, such Redemption Rate Adjustment Spread, then such Successor Mid-Swap Rate, Alternative Mid-Swap Rate, Interpolated Rate, Relevant Mid-

Swap Rate and/or Redemption Rate (as applicable) will apply without a Redemption Rate Adjustment Spread.

(3) *Mid-Swap Amendments*

If the Independent Adviser or the Issuer (as applicable) determines a Successor Mid-Swap Rate or, failing which, an Alternative Mid-Swap Rate and/or Redemption Rate Adjustment Spread (as applicable) in accordance with the above provisions, and the Independent Adviser or the Issuer (as applicable) acting in good faith determines (i) that amendments to these Conditions, the Trust Deed or the Agency Agreement are necessary to ensure the proper operation of such Successor Mid-Swap Rate, Alternative Mid-Swap Rate and/or Redemption Rate Adjustment Spread (such amendments being "**Mid-Swap Amendments**", which for the avoidance of doubt shall not be treated as being within the scope of the Basic Terms Modifications), and (ii) the terms of the Mid-Swap Amendments (including, but not limited to, the definitions of "Interpolated Rate", "Redemption Rate", "Mid-Swaps Screen Page", "Gross Redemption Yield", "Relevant Date" and/or the "Relevant Mid-Swap Rate") applicable to the Notes, and the method for determining the Redemption Amount in relation to the Notes, in order to follow market practice in relation to the Successor Mid-Swap Rate or the Alternative Mid-Swap Rate (as applicable), then the Issuer shall, subject to the provisions of the paragraph below and to giving notice thereof in accordance with Condition 8(b)(i)(E)(4), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed or the Agency Agreement, as the case may be, to give effect to such Mid-Swap Amendments with effect from the date specified in such notice.

Subject to the other provisions of this Condition 8(b)(i)(E) and the receipt by the Note Trustee of a certificate signed by two Directors of the Issuer (i) confirming that a Mid-Swap Replacement Event has occurred, and (ii) certifying that the Mid-Swap Amendments are necessary to ensure the proper operation of such Successor Mid-Swap Rate or Alternative Mid-Swap Rate, as the case may be, the Note Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Mid-Swap Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and these Conditions), provided that neither the Note Trustee nor the Agents shall be obliged so to concur if in the opinion of the Note Trustee or the Agents doing so would impose more onerous obligations upon it or expose it to any additional

duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Note Trustee or the Agents in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way. For the avoidance of doubt, any Mid-Swap Amendments which would impose more onerous obligations upon an Agent or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agency Agreement shall require such Agent's written consent.

(4) *Notices*

The Issuer shall promptly, following the determination of any Successor Mid-Swap Rate or Alternative Mid-Swap Rate (as applicable), give notice thereof to the Note Trustee, the Agents and the Noteholders, which shall specify the effective date(s) for such Successor Mid-Swap Rate or Alternative Mid-Swap Rate (as applicable) and any consequential Mid-Swap Amendments.

(5) *Fallbacks*

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Mid-Swap Rate or an Alternative Mid-Swap Rate, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Mid-Swap Rate or, failing which, an Alternative Mid-Swap Rate, as well as the appropriate Redemption Rate Adjustment Spread (if applicable).

For the purposes of this Condition 8(b)(i)(E):

"**Alternative Mid-Swap Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) (in each case acting in good faith and in a commercially reasonable manner) determines has replaced the Relevant Mid-Swap Rate (or any relevant components thereof) in customary market usage in the derivatives markets, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Relevant Mid-Swap Rate (or any relevant components thereof);

"**Independent Adviser**" means, for the purpose of this Condition 8(b)(i)(E), an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant

to this Condition 8(b)(i)(E), 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 Note Trustee, the Agent Bank (or the Calculation Agent if applicable), the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 8(b)(i)(E);

"**Mid-Swap Replacement Event**" means:

(a) the relevant rates used to derive the Relevant Mid-Swap Rate do not appear on the Mid-Swaps Screen Page or cease to exist or if such rates have ceased to be published on the Mid-Swaps Screen Page as a result of such rates (or any component thereof) ceasing to be calculated or administered; or

(b) the later of (i) the making of a public statement by the administrator of the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof) that it will, on or before a specified date, cease publishing such rates permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such rates) and (ii) the date falling six months prior to the date specified in (b)(i) above; or

(c) the making of a public statement by the supervisor of the administrator of the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof) that such rates have been permanently or indefinitely discontinued; or

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof) that such rates will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (d)(i) above;

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof) that means such rates will be prohibited from being used or that their use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;

(f) it has or will prior to the date specified for redemption become unlawful (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011 and/or Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018,

if applicable) for any Paying Agent, the Agent Bank, the Calculation Agent, the Note Trustee, the Mid-Swap Financial Adviser, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof); or

(g) the later of (i) the making of a public statement by the supervisor of the administrator of the relevant rates used to derive the Relevant Mid-Swap Rate (including any components thereof) that in the view of such supervisor, such rates are or will on or before a specified date, be no longer representative of an underlying market and (ii) the date falling six months prior to the specified date referred to in (g)(i) above.

"**Redemption Rate Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, which the Independent Adviser or the Issuer (as applicable) (in each case acting in good faith and in a commercially reasonable manner) determines is required to be applied to the Successor Mid-Swap Rate, the Alternative Mid-Swap Rate, the Interpolated Rate, the Relevant Mid-Swap Rate and/or the Mid-Swap Redemption Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Relevant Mid-Swap Rate (or any component thereof) with the Successor Swap Rate or the Alternative Swap Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Mid-Swap Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Relevant Mid-Swap Rate (or the relevant component thereof) with the Successor Mid-Swap Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Mid-Swap Rate for which no such recommendation or option has been made (or made available) or in the case of an Alternative Mid-Swap Rate, the Independent Adviser or the Issuer (as applicable) (in each case acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in derivatives transactions which reference the Relevant Mid-Swap Rate (or any relevant component thereof), where such rate has been replaced by the Successor Mid-Swap Rate or the Alternative Mid-Swap Rate (as applicable); or

(c) if no such determination regarding customary market usage is made, the Independent Adviser or the Issuer (as applicable)

determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

"**Successor Mid-Swap Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) (in each case acting in good faith and in a commercially reasonable manner) determines is a successor to or replacement of the Relevant Mid-Swap Rate (or any components thereof) which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

If a Swap Mid-Curve Amount, Spens Amount, Make-Whole Amount or Fixed Amount is specified in the relevant Final Terms as the Redemption Amount, the Redemption Amount will also include accrued but unpaid interest on the Principal Amount Outstanding of the relevant Notes to (but excluding) the date of redemption, provided that, in any case where Condition 6(f) (*Interest Rate Step-Up*) applies, from and including the date which is two years prior to the Maturity Date specified in the relevant Final Terms, the Redemption Amount shall be equal to the Principal Amount Outstanding of the relevant Notes or the relevant portion thereof to be redeemed plus accrued but unpaid interest on such amount to (but excluding) the date of redemption.

(ii) in respect of Floating Rate Notes, the Redemption Amount will be the Principal Amount Outstanding of the relevant Notes (plus any premium for early redemption specified in the relevant Final Terms) plus any accrued but unpaid interest on the Principal Amount Outstanding of the relevant Notes to (but excluding) the date of redemption;

(iii) in respect of Indexed Notes, the Redemption Amount will be the amount determined in accordance with Condition 8(b)(i) or Condition 8(b)(ii), as the case may be, multiplied by the Index Ratio or (in the case of Limited Indexed Notes)

the Limited Index Ratio applicable to the month in which such payment falls to be made and rounded in accordance with Condition 6(g) (*Rounding*); and

(iv) in respect of Zero Coupon Notes, the Redemption Amount will be an amount equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) and the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption,

and where such calculation is to be made for a period which is less than a full year, such calculation shall be made on the basis of the Day Count Fraction specified in the Final Terms for the purposes of this Condition 8(b)(iv) or, if none is so specified, a Day Count Fraction of 30/360, plus accrued but unpaid interest on the Principal Amount Outstanding of the relevant Notes to (but excluding) the date of redemption.

In this Condition 8(b)(iv), "**Accrual Yield**" and "**Reference Price**" have the meanings given to them in the relevant Final Terms.

In any such case:

(I) prior to giving any notice of redemption under this Condition 8(b), the Issuer shall provide to the Note Trustee a certificate signed by two directors of the Issuer 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 Notes as aforesaid and to pay any other amounts ranking in priority to such Notes on the relevant redemption date; and

(II) where Condition 6(f) (*Interest Rate Step-Up*) applies, any date of redemption falling on or after the Note Step-Up Date shall be required to be a Note Payment Date.

(c) *Optional Redemption as Result of Ratings Event*

Following the satisfaction of all conditions precedent in respect of a Ratings Event, the Issuer may seek to exercise its option to redeem the Notes by notifying the holders of each Sub-Class of Notes in accordance with Condition 16 (*Notices*) of the occurrence of such Ratings Event and its intention to redeem the Notes if a Noteholders' Affirmation (as defined below) is passed. The Issuer shall also convene a meeting of each such Sub-Class to take place at least 21 days following such notification. If at such meeting 75% or more by Principal Amount Outstanding of the Noteholders of the relevant Sub-Class of Notes vote in favour of such redemption on a specified date (a "**Noteholders' Affirmation**"), then the Issuer shall redeem such Sub-Class of Notes in whole (but not in part) on the Optional Redemption Date (provided that Floating Rate Notes may not be redeemed before the date (if any) specified in the relevant Final Terms). If at such

meeting, less than 75% of the Noteholders of the relevant Sub-Class vote in favour of such redemption, then the Issuer shall not redeem any of the Notes of such Sub-Class.

Any redemption under this Condition 8(c) will be made (I) if the Notes are not Fixed Rate Notes, at the Redemption Amount determined in accordance with Condition 8(b)(ii), (iii) or (iv) or (II) if the Notes are Fixed Rate Notes, at a Redemption Amount equal to the higher of (i) their Principal Amount Outstanding and (ii) an amount calculated by multiplying the Principal Amount Outstanding of such Notes by that price (expressed as a percentage) (as reported in writing to the Issuer and the Note Trustee by a financial adviser selected by the Issuer) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield (as defined below) on such Notes on the Reference Date (as defined below) is equal to the sum of (a) Gross Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) and (b) the Issue Spread for the relevant Notes (as per the relevant Final Terms), in each case plus accrued but unpaid interest on the Principal Amount Outstanding to (but excluding) the date of redemption.

Before giving any notification under this Condition 8(c), the Issuer shall provide to the Note Trustee a certificate signed by two directors of the Issuer (a) stating that the Issuer is entitled to effect such redemption under this Condition 8(c) 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 the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Notes as aforesaid and to pay any other amounts ranking in priority to such Notes on the relevant redemption date.

For the purposes of this Condition 8(c): the "**Issue Spread**" shall be the spread on the relevant Class of Notes as specified in the relevant Final Terms; "**Gross Redemption Yield**" means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute of Actuaries, as reported in the Journal of the Institute of Actuaries, Volume 105, Part 1, 1978, page 18 or such other basis as the Issuer may select (acting solely on the advice of a Financial Adviser); "**Reference Date**" means the date which is two Business Days prior to the dispatch of the notice of redemption under this Condition 8(c); and "**Reference Gilt**" means the Treasury Stock specified in the relevant Final Terms 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), determine to be appropriate.

(d) *Optional Redemption for Index Event or Taxation Reasons*

(i) *Optional Redemption for Index Events:*

(A) *RPI Indexed Notes:* In the case of RPI Indexed Notes, upon the occurrence of any Index Event (as defined below), the Issuer may, upon giving not more than 60 nor less than 30 days' notice to the Note Trustee and the holders of the Indexed Notes in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the Indexed Notes of all Sub-Classes on the Optional Redemption Date at the Redemption Amount,

together with accrued but unpaid interest on the Principal Amount Outstanding of such Notes up to (but excluding) the date on which such redemption occurs (such interest subject, in the case of Index Linked Interest Notes, to adjustment in accordance with Condition 7(a)(ii) or Condition 7(b)(ii), as applicable).

For the purposes of this Condition 8(d)(i)(A), "**Index Event**" means (i) if the Index Figure for three consecutive months is to be determined on the basis of an Index Figure previously published as provided in Condition 7(a)(iii)(B) (*Delay in publication of Index if sub-paragraph (A) of the definition of Index Figure is applicable*) or Condition 7(c)(iii), as applicable, and the Issuer has been notified by the Principal Paying Agent 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 (as defined in Condition 7(a)(i) (*Definitions*) above), 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.

(B) *HCIP Indexed Notes:* In the case of HICP Indexed Notes, upon the occurrence of an Early Termination Event pursuant to Condition 7(b)(iii)(C)(II), the Issuer will, upon giving not more than 60 nor less than 30 days' notice to the Note Trustee and the holders of the Indexed Notes in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the Indexed Notes of all Sub-Classes on any day at the Redemption Amount together with accrued but unpaid interest on the Principal Amount Outstanding of such Notes up to (but excluding) the date on which such redemption occurs (such interest subject, in the case of Index Linked Interest Notes, to adjustment in accordance with Condition 7(a)(ii) or Condition 7(b)(ii), as applicable).

Before giving any notice of redemption under this Condition 8(d)(i), the Issuer shall provide to the Note Trustee a certificate signed by two directors of the Issuer (a) stating that the Issuer is entitled to effect such redemption under this Condition 8(d)(i) 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 the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Notes as aforesaid and to pay any other amounts ranking in priority to such Notes on the relevant redemption date.

(ii) *Optional Redemption for Taxation Reasons*: If the Issuer would, on the next Note Payment Date, be obliged to deduct or withhold from any payment of interest or principal in respect of the Notes (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivision thereof, or any other authority thereof by reason of any change in tax law (or the application or official interpretation thereof) or (b) FinCo would, on or about the next interest payment date under the Intercompany Loan Agreement, be obliged to increase any sum payable by it to the Issuer under the Intercompany Loan Agreement as a result of FinCo being required to deduct or withhold any amount for or on account of any present or future taxes, duties, assessments or governmental charges of

whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivision thereof, or any other authority thereof by reason of any change in tax law (or the application or official interpretation thereof) from that payment, then the Issuer may, upon giving not more than 60 days nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the Notes on the Optional Redemption Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon to (but excluding) the date of redemption (adjusted, in the case of Indexed Notes, in accordance with Condition 7(a)(ii) (*Application of the Index Ratio*) or Condition 7(b)(ii) (*Application of the Index Ratio*), as applicable) without premium or penalty. Before giving any notice of redemption under this Condition 8(d)(ii), the Issuer shall provide to the Note Trustee a certificate signed by two directors of the Issuer (a) stating that the Issuer is entitled to effect such redemption under this Condition 8(d)(ii) 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 the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Notes as aforesaid and to pay any other amounts ranking in priority to such Notes on the relevant redemption date.

(e) *Mandatory Redemption on Prepayment or Acceleration under the Security Trust and Intercreditor Deed*

If the Issuer receives (or is to receive) any monies (a) pursuant to the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments or the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments, (b) pursuant to the exercise of the P1 ICL Call Option (as defined in the Security Trust and Intercreditor Deed) or (c) other than in accordance with Condition 8(b) (*Optional Redemption*), 8(c) (*Optional Redemption as Result of Ratings Event*) or 8(d) (*Optional Redemption for Index Event or Taxation Reasons*) above, in Prepayment of all or any ICL Loan under the Intercompany Loan Agreement, the Issuer shall, upon giving not more than 30 nor less than 10 days' notice to the Note Trustee and the Noteholders in accordance with Condition 16 (*Notices*), redeem all of the Notes of the relevant Sub-Class of Notes on their next respective Note Payment Dates at their Principal Amount Outstanding plus accrued but unpaid interest to (but excluding) the date of redemption or (where part only of such ICL Loan has been Prepaid) the proportion of the relevant Sub-Class of Notes which the prepayment amount bears to the amount of the relevant ICL Loan. Before giving any notice of redemption under this Condition 8(e), the Issuer shall provide to the Note Trustee a certificate signed by two directors of the Issuer stating that the Issuer is required to effect such redemption under this Condition 8(e) and setting forth a statement of facts showing that the conditions precedent to the obligation of the Issuer so to redeem have been satisfied.

(f) *Purchase of Notes (other than Class R Notes) by the Issuer*

The Issuer may not at any time purchase any of the Notes (other than Class R Notes in accordance with Condition 8(h) (*Issue, repurchases and resales of Class R Notes by Issuer*)).

(g) *Purchase of Notes by FinCo and other Obligors*

FinCo and any of the other Obligors (provided that such Obligor is ordinarily resident in the United Kingdom for United Kingdom tax purposes) may at any time purchase Notes of any Class in accordance with applicable law and the provisions of the Common Terms Agreement. Any Notes purchased by FinCo may, at the option of FinCo, be surrendered to the Issuer. Upon surrender of any such Note (other than a Class R Note), the Note will be cancelled.

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

(h) *Issue, repurchases and resales of Class R Notes by Issuer*

(i) The Issuer may enter into a Class R Underwriting Agreement (as defined below) and issue Class R1 Notes and Class R2 Notes, in which case it may use the proceeds from the issue of the Class R Notes immediately to repurchase (but not cancel) such Class R Notes. The Issuer may only issue Class R Notes if it enters into a Class R Underwriting Agreement and if the aggregate nominal amount of Class R1 Notes issued is equal to the aggregate nominal amount of Class R2 Notes issued.

(ii) The Issuer will (save to the extent that Condition 8(h)(iii) applies and save where an Issuer Event of Default or a Potential Issuer Event of Default is outstanding) on any Note Payment Date falling on or prior to the Note Payment Date falling on or before the last day of the period agreed as being the period throughout which the underwriters will be bound to repurchase from the Issuer any Class R Notes (the "**Underwriting Period**") repurchase all Class R Notes outstanding on each Note Payment Date at a price which is equal to their Principal Amount Outstanding, plus accrued but unpaid interest to (but excluding) the date of repurchase. The Issuer may at its option cancel, hold or resell all or any of the Class R Notes so purchased (or purchased by FinCo and surrendered to the Issuer pursuant to Condition 8(g) (*Purchase of Notes by FinCo and other Obligors*) above) provided that it shall not on any Note Payment Date resell, or procure the resale of, more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class R Notes or cancel Class R Notes such that the aggregate nominal amount of Class R1 Notes then outstanding and the aggregate nominal amount of Class R2 Notes then outstanding is unequal.

(iii) Notwithstanding the provisions of Condition 8(h)(ii), the Issuer shall not, during the Underwriting Period, be obliged to repurchase from holders any Class R Notes in respect of which it holds insufficient funds to effect such repurchase in accordance with Condition 8(h)(ii), if such insufficiency arises as a result of the Class R Underwriters not being obliged to repurchase Class R Notes from the

Issuer to finance such repurchase from holders by the Issuer, or as a result of any Class R Underwriter failing to honour its commitment under the Class R Underwriting Agreement to purchase Class R Notes from the Issuer. The Class R Notes to be repurchased on a Note Payment Date, in respect of which there are insufficient funds to effect such repurchase in full, shall be repurchased *pro rata* from the holders of the Class R Notes using such funds as are available for such purpose pursuant to the Issuer Pre-Enforcement Priority of Payments.

(iv) If, by virtue of the operation of Condition 8(h)(iii), the Issuer is not obliged to repurchase all the Class R Notes on any Note Payment Date, the Issuer shall, as soon as reasonably practicable after becoming aware that it will not be repurchasing such Class R Notes by virtue of the operation of Condition 8(h)(iii) (and, in any event, by no later than 11.00 a.m. on the Note Payment Date upon which it would otherwise have repurchased such Class R Notes), give notice to the Class R Noteholders, the Note Trustee, the Rating Agencies and the Principal Paying Agent, in accordance with the provisions of Condition 16 (*Notices*), specifying the amount of Class R Notes which will not be repurchased on such Note Payment Date.

(v) Any Class R Notes held by or on behalf of the Issuer at the close of business on the Note Payment Date falling at the end of the Underwriting Period shall be cancelled and any Class R Notes purchased by the Issuer on or after such Note Payment Date shall be cancelled immediately upon such repurchase.

(vi) *Definition of "Class R Underwriting Agreement"*

A Class R Underwriting Agreement shall mean an underwriting agreement entered into with underwriters whose short-term and long-term ratings are at least equal to the Minimum Short Term Ratings and the Minimum Long Term Ratings (each as defined in or for the purposes of the Common Terms Agreement) from each of the Rating Agencies rating the Class R Notes pursuant to which:

(A) such underwriters agree during the Underwriting Period to purchase and repurchase from the Issuer on request all or any Class R Notes then in issue on (subject to (B) below in the case of certain repurchases) such terms as are agreed between them;

(B) the only condition that may apply to the repurchase of Class R Notes by the underwriters up to a maximum aggregate nominal amount not exceeding that of all Class R Notes then in circulation shall be that no Issuer Event of Default or Potential Issuer Event of Default shall have occurred and be continuing; and

(C) if (but for any Obligor Event of Default or Potential Obligor Event of Default, as defined in the Common Terms Agreement) FinCo would be obliged under the Common Terms Agreement to refinance, in whole or in part, any ICL Loan (as defined in or for the purposes of the Common Terms Agreement) corresponding to any Class R1 Notes under the

Intercompany Loan Agreement (which corresponds to any Class R1 Notes) with another ICL Loan from the Issuer (which is to be financed by the repurchase price payable by the underwriters for Class R2 Notes), the underwriters are obliged (subject only to (B) above, and notwithstanding any Obligor Event of Default or Potential Obligor Event of Default) to repurchase Class R2 Notes from the Issuer in an amount sufficient to finance the making of such ICL Loan.

(vii) *Maturity of Class R Notes*

Subject to satisfying the Ratings Test, the Class R Notes may mature on a date falling after the end of the Underwriting Period, as specified in the relevant Final Terms.

(i) *Cancellation*

In respect of all Notes redeemed by the Issuer, the Bearer Notes or the Registered Notes 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 be cancelled forthwith (together with, in the case of Bearer Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) *Subordination of principal*

In the case of principal on any Class of Notes other than the Most Senior Class of Notes, if, on any Note Payment Date prior to the delivery of a Note Enforcement Notice under Condition 11(a) (*Default Events*), there are insufficient funds available to the Issuer in accordance with the Issuer Payment Priorities to pay such principal due, the Issuer's liability to pay such principal will be treated as not having fallen due and will be deferred until the earlier of: (i) the next following Note Payment Date on which the Issuer has, in accordance with the Issuer Pre-Enforcement Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); and (ii) the Note Payment Date following the full and final repayment of all Notes which rank in priority to such Notes. Any deferred principal on a Sub-Class of Notes shall be payable *pro rata* and *pari passu* with deferred principal on all other Sub-Classes of Notes in such Class. Interest will accrue on such deferred principal at the rate otherwise payable on unpaid principal of such Notes.

(k) *Limited right of redemption or repurchase by the Issuer*

If 80% or more in nominal amount of Notes of a Sub-Class of Notes then outstanding have been redeemed or repurchased pursuant to this Condition 8, the Issuer may, on not less than 30 or more than 60 days' notice to Noteholders (given within 30 days after the relevant redemption or repurchase date) redeem or repurchase (or procure the purchase of), at its option, the remaining Notes of such Sub-Class of Notes in whole but not in part at a price equal to the Redemption Amount thereof plus, if appropriate, interest accrued

to but excluding the Note Payment Date on which such redemption, repurchase or purchase, as the case may be, occurs.

9. Payments

(a) *Bearer Notes*

Payments to the Noteholders 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 Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 9(f) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States of America by transfer to an account denominated in the currency in which such payment is due which is maintained by the payee with, or (in the case of Notes in definitive form only) a cheque payable in that currency drawn on, a bank in the Relevant Financial Centre.

(b) *Registered Notes*

Payments of principal (or, as the case may be Redemption Amounts or other amounts payable on redemption) in respect of any Registered Note shall be made by cheque (denominated in the currency in which such payment is due) drawn on, or, upon application by a holder (or the first named of joint holders) of such Registered Note to the specified office of the Registrar not later than the fifteenth day before the due date for any such payment (the "**Record Date**"), by transfer to an account (denominated in the currency in which such payment is due) maintained by the payee with a bank in the Relevant Financial Centre upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the specified office of the Registrar.

Payments of interest (or, as the case may be Interest Amounts) in respect of any Registered Note shall be made by cheque (denominated in the currency in which such payment is due) drawn on, or, upon application by a holder (or the first named of joint holders) of such Registered Note to the specified office of the Registrar not later than the relevant Record Date, by transfer to an account (denominated in the currency in which such payment is due) maintained by the payee with, a bank in the Relevant Financial Centre and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Individual Note Certificates at the specified office of the Registrar.

(c) *Payments in the United States of America*

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

(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 Notes in the manner provided above when due;

(ii) payment in full of such amounts at all such offices outside the United States of America 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*

All payments are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any laws implementing an intergovernmental approach thereto.

(e) *Appointment of the Agents*

The Paying Agents, the Agent Bank, the Transfer Agents and the Registrar appointed by the Issuer (and their respective specified offices) are listed in the 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 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 Notes), (ii) a Registrar (in the case of Registered Notes), (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms) (in the case of Floating Rate Notes or Indexed Notes) and (iv) if and for so long as the Notes 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 Notes are admitted to trading on Euronext Dublin, shall be in Ireland. Notice of any such variation, termination or appointment will be given in accordance with Condition 16 (*Notices*).

(f) *Unmatured Coupons and Unexchanged Talons*

(i) Subject to the provisions of the relevant Final Terms, upon the due date for redemption of any Note which is a Bearer Note (other than a Fixed Rate Note, unless it has all unmatured Coupons attached), unmatured Coupons relating to such Note (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 Note, any unmatured Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iii) Where any Note, which is a Bearer Note and is a Fixed Rate Note, is presented for redemption without all unmatured Coupons and any unexchanged Talons relating to it, a sum equal to the aggregate amount of the missing unmatured 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.

(iv) If the due date for redemption of any Note is not a Note Payment Date, interest accrued from the preceding Note 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 Note and Coupon.

(g) *Non-Business Days*

Subject as provided in the relevant Final Terms, if any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day in the relevant place and shall not be entitled to any further interest or other payment sum in respect of such delay. In this paragraph, "**business day**" means a day which (subject to Condition 13 (*Prescription*)) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(A) in the case of Notes in definitive form only, in the relevant place of presentation, and

(B) in each Additional Financial Centre (other than the TARGET2 System) specified in the applicable Final Terms;

(ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a TARGET Settlement Day; and

(iii) either (a) in relation to any sum payable in a Relevant Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Relevant Currency or (b) in relation to any sum payable in euro, a TARGET Settlement Day.

(h) *Talons*

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

10. Taxation

All payments in respect of the Notes and Coupons will be made (whether by the Issuer, any Paying Agent, the Registrar or the Note Trustee) 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 Note Trustee is required by applicable law to make such a withholding or deduction. In that event, the Issuer, such Paying Agent, the Registrar or the Note Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Issuer, any Paying Agent, the Registrar or the Note Trustee will be obliged to make any additional payments to the Noteholders or the Couponholders in respect of such withholding or deduction.

Notwithstanding any other provision in these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

11. Issuer Events of Default

(a) *Default Events*

If an Issuer Event of Default (as defined below) occurs and is continuing, then the Note Trustee may, at its discretion, at any time (in accordance with the provisions of the Trust Deed), having certified (in the case of Condition 11(a)(ii)) in writing that in its opinion the happening of such event is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and shall, upon the Note Trustee being (i) so requested in writing by holders of at least one quarter in principal amount of the Most Senior Class of Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*)) of the holders of the Most Senior Class of Notes then outstanding and (ii) indemnified and/or secured to its satisfaction, give notice (a "**Note Enforcement Notice**") to the Issuer and the Noteholders declaring the Notes to be immediately due and repayable.

Each of the following will constitute an "**Issuer Event of Default**" under the Notes:

(i) if default is made for a period of six days in the payment of any sum due in respect of the Most Senior Class of Notes then outstanding (or any Sub-Class of them) (other than the payment of any Note Step-Up Amount); or

(ii) if the Issuer fails to perform or observe any of its obligations (other than payment obligations referred to in (i) above) under the Notes (including these Conditions) or the Issuer Transaction Documents and, if the Note Trustee considers that such default can be remedied, such failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(iii) if any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (or any analogous proceedings) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Note Trustee or sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding; or

(iv) if (other than as referred to in (v) below) (1) any other proceedings are initiated against the Issuer under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws and such proceedings are not being disputed in good faith, (2) an administrative receiver or other receiver, administrator or other similar official is appointed in relation to the Issuer or in relation to, in the opinion of the Note Trustee, the whole or any substantial part of the undertaking or assets of the Issuer, (3) an encumbrancer (other than the Note Trustee) takes possession of, in the opinion of the Note Trustee, the whole or any substantial part of the undertaking or assets of the Issuer or (4) a distress or execution or other process is levied or enforced upon or sued out against, in the opinion of the Note Trustee, the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases (other than in relation to the circumstances described in (2) where no grace period shall apply) such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within 14 days; or

(v) if the Issuer or its directors (or any of them) initiates or consents to judicial proceedings relating to itself (except for the purposes of any amalgamation, merger, consolidation, reorganisation or other similar arrangement referred to in (iii) above) (including, without limitation, the giving of notice of intention to appoint an administrator or the filing of an application for administration by the Issuer or any of the directors of the Issuer) under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally; or

(vi) if the Issuer becomes unable to pay its debts as they fall due or is adjudicated or found bankrupt.

(b) *Consequences of Notes becoming Due and Payable and Delivery of Note Enforcement Notice*

Upon delivery of a Note Enforcement Notice in accordance with Condition 11(a) (*Default Events*) above, all Classes of the Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest as provided in the Trust Deed and the Issuer Security shall become enforceable by the Note Trustee in accordance with the Issuer Deed of Charge.

(c) *Confirmation of no Issuer Event of Default*

The Issuer shall provide written confirmation to the Note Trustee, on an annual basis, that no Issuer Event of Default has occurred.

12. Enforcement Against Issuer

No Noteholder is entitled to take any action against the Issuer or any assets of the Issuer to enforce its rights in respect of the Notes or to enforce any of the Issuer Security. The Note Trustee will act (subject to Condition 4(e) (*Enforceable Security*)) on the instructions of the holders of the Most Senior Class of Notes then outstanding and the Note Trustee shall not be bound to take any such action unless it is 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.

Neither the Note Trustee nor the Noteholders 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 and manager pursuant to the terms of the Issuer Deed of Charge and subject to the Trust Deed) or other proceeding under any similar law for so long as any Notes are outstanding or for two years and a day after the latest Maturity Date on which any Note of any Series is due to mature.

13. Prescription

Claims against the Issuer for payment in respect of the Notes or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 6(j) (*Definitions*)) in respect thereof.

14. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of Euronext Dublin or any other relevant exchange on which Notes are listed (in the case of listed Notes) (and each other listing authority, stock exchange and or quotation system upon which the relevant Notes have then been admitted to listing, trading and/or quotation), 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 Notes, Coupons or Talons must be surrendered before replacements will be issued.

15. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of the Noteholders (in addition to a meeting of Noteholders held pursuant to Condition 8(c) (*Optional Redemption as Result of Ratings Event*)) to consider any matter affecting their interests, including the modification of the Notes, the Coupons or any of the provisions of the Trust Deed and any other Issuer Transaction Document (excluding the Account Bank and Cash Management Agreement and the Servicing Agreement, save insofar as they relate to the Issuer) to which the Note Trustee is a party or over which it has security. Any modification may (subject to the other terms of this Condition 15(a)) be made if sanctioned by a resolution passed at a meeting or meetings of the relevant Noteholders duly convened and held in accordance with the Trust Deed and these Conditions by a majority of not less than $66^2/_3$ per cent. of the votes cast (an "**Extraordinary Resolution**") at such meeting or meetings. Such a meeting may be convened by the Note Trustee or the Issuer, and shall be convened by the Issuer upon the request in writing of the relevant Noteholders holding not less than one-tenth in nominal amount of the relevant Notes for the time being outstanding.

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. (or 75 per cent. in the case of a meeting of Noteholders convened to vote on an Extraordinary Resolution in relation to a Basic Terms Modification (as defined in the Security Trust and Intercreditor Deed) (save as regards any meeting convened by the Issuer pursuant to Condition 8(c) (*Optional Redemption as Result of Ratings Event*)) in respect of the Notes and the other Transaction Documents) in principal amount of the relevant Notes for the time being outstanding or, at any adjourned meeting, one or more persons being or representing Noteholders, whatever the principal amount of the relevant Notes held or represented (or one or more persons holding or representing not less than 25 per cent. in principal amount of the relevant Notes for the time being outstanding, in the case of a meeting of Noteholders convened to vote on an Extraordinary Resolution in relation to a Basic Terms Modification). Any Extraordinary Resolution duly passed at any such meeting shall be binding on all of the Noteholders and Couponholders whether present or not.

In addition, (i) a resolution in writing signed by or on behalf of Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed, holding not less than $66^2/_3$ per cent. in principal amount of the relevant Notes outstanding or (ii) (in the case of Notes in the form of a Global Note or a Global Note Certificate) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than $66^2/_3$ per cent. in principal amount of the relevant Notes outstanding, will take effect as if it were an Extraordinary Resolution and will be binding on all Noteholders and Couponholders whether or not they

participated. 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 Noteholders.

The Note Trustee shall, if requested in writing by Noteholders holding Notes having in aggregate a Principal Amount Outstanding of at least 50% of the aggregate Principal Amount Outstanding of all the Notes, notify the Issuer of the Noteholders' desire for a meeting between the Issuer and the Noteholders to discuss the asset backing for the Notes and any issues directly relevant thereto. The Issuer shall, following receipt of such a notice from the Note Trustee, give to the Noteholders notice in accordance with Condition 16 (*Notices*) of a meeting to be held in London for such purpose falling not earlier than 30 days and not later than 60 days after receipt by it of the notice from the Note Trustee. All Noteholders shall be entitled to attend any such meeting and to raise with the Issuer's representatives present at such meeting (who shall include at least one director) any questions which relate directly to the asset backing for the Notes.

In the absence of any Obligor Event of Default or Issuer Event of Default, the Note Trustee (and the Noteholders) shall not be entitled to require the Issuer to convene more than one such meeting in any period of 12 months.

A Rating Agency may, on request, attend meetings of Noteholders at which an Extraordinary Resolution is to be considered unless the Noteholders at such meeting vote to exclude them in accordance with the Trust Deed. Any Rating Agency present at such a meeting must leave the meeting when the Noteholders cast their votes on the relevant Extraordinary Resolution. A Rating Agency may not attend any other type of Noteholder meeting.

(b) *Debtholders' Meetings*

Pursuant to the Issuer Deed of Charge, the Issuer has assigned by way of security its interest in respect of the advances to FinCo under the Intercompany Loan Agreement and the security therefor to the Note Trustee for the benefit of, *inter alios*, the Noteholders. Accordingly the Security Trust and Intercreditor Deed provides that the relevant Qualifying Noteholders shall be entitled to instruct the Note Trustee to vote in *Debtholders' Meetings* instead of the Issuer on certain proposals relating to the Obligors and the Obligor Secured Creditors. Such proposal, if duly approved in such Debtholders' Meetings shall be a "**Secured Creditor Instruction**".

Any Noteholder who is a Qualifying Noteholder will vote at a Debtholders' Meeting solely by instructing the Note Trustee to vote on its behalf as its Representative (as defined in the Security Trust and Intercreditor Deed) in such Debtholders' Meeting. In any Debtholders' Meeting, voting shall be determined on a pound-for-pound basis by reference to the Principal Amount Outstanding owed to each of the relevant Qualifying Debtholders, so that all votes in favour of the proposal and against the proposal from the Qualifying Noteholders and the other Qualifying Debtholders (who are not Noteholders) are considered on an aggregated basis, irrespective of whether a majority of such Qualifying Noteholders are in favour of or against the proposal.

If any Noteholder is a Qualifying Noteholder, then for the purpose of voting in such Debtholders' Meeting, the Note Trustee shall convene a meeting of the Qualifying Noteholders of any relevant Class or Sub-Class in accordance with the Trust Deed to consider the proposed Secured Creditor Instruction and to instruct the Note Trustee how to vote on each Qualifying Noteholder's behalf on such proposal. After obtaining the instruction of the Qualifying Noteholders who are present at such meeting, the Note Trustee shall vote in the Debtholders' Meeting in accordance with such instructions.

The Obligor Security Trustee shall, pursuant to the Security Trust and Intercreditor Deed, request the Note Trustee to confirm that the quorum requirement for any meeting of Qualifying Noteholders had been satisfied, that is, one or more persons holding or representing at least 25 per cent. in principal amount of the relevant Notes for the time being outstanding or, at any adjourned meeting of Qualifying Noteholders, one or more persons being or representing Qualifying Noteholders, whatever the principal amount of the relevant Notes held or represented.

Irrespective of the result of voting at a meeting of Noteholders in relation to a proposed Secured Creditor Instruction, any Secured Creditor Instruction duly approved at a Debtholders' Meeting shall be binding on all of the Noteholders and Couponholders.

(c) *Modification, consent and waiver*

As more fully set out in the Trust Deed (and subject to the conditions and qualifications therein), the Note Trustee may, without the consent of the Noteholders of any Sub-Class, concur with the Issuer and any other relevant parties in making (i) any modification of these Conditions, the Trust Deed or any other Issuer Transaction Document (excluding the Account Bank and Cash Management Agreement and the Servicing Agreement save insofar as they relate to the Issuer) which is of a formal, minor or technical nature or is made to correct a manifest error or an error in respect of which an English Court could reasonably be expected to make a rectification order; (ii) any other modification of and the granting of any consent under, or waiver or authorisation of any breach or proposed breach of, these Conditions, the Trust Deed or any other Issuer Transaction Document or other document (other than a Basic Terms Modification or a change in respect of the Financial Covenant) which is, in the opinion of the Note Trustee, not materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding; and (iii) any modification of these Conditions, the Trust Deed or any other Issuer Transaction Documents or other document (other than a Basic Terms Modification or a change in respect of the Financial Covenant) if such modification is made for an Accepted Restructuring Purpose or pursuant to Proposed Non-UK Structural Changes (as defined in or for the purposes of the Common Terms Agreement) and no Ratings Event occurs in respect of the proposed modification. Any such modification, consent, waiver or authorisation shall be binding on all Noteholders and the holders of all relevant Coupons and, in each case, if the Note Trustee so requires, notice thereof shall be given by the Issuer to the Noteholders as soon as practicable thereafter.

No Extraordinary Resolution in respect of a Basic Terms Modification or a change in respect of the Financial Covenant shall be binding on the Note Trustee or the Noteholders (or any of them) unless the Obligor Security Trustee has confirmed to the Note Trustee

that such modification has also been approved by each of the other providers of finance to the Obligors in accordance with the relevant credit facility agreements between FinCo (or any other Obligor) and the other providers of such finance.

The Note Trustee, in exercising its discretion to concur in making any modification, granting any consent under or waiver for authorisation of any breach or proposed breach of these Conditions, the Trust Deed or any other Issuer Transaction Document (other than a Basic Terms Modification or a change in respect of the Financial Covenant), shall be entitled to have regard to the Ratings Test (as defined in the Common Terms Agreement) and it may consider the Ratings Test to be an appropriate test or the only appropriate test to apply in that circumstance in exercising its discretion.

(d) *Substitution of the Issuer*

As more fully set forth in the Trust Deed (and subject to the conditions and qualifications therein), the Note Trustee may also agree with the Issuer, without reference to the Noteholders, to the substitution of another corporation in place of the Issuer as principal debtor in respect of the Trust Deed and the Notes of all Series.

16. Notices

Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper having general circulation in Ireland (which is expected to be the *Irish Times*). The Issuer shall also ensure that all notices are duly published in a manner that complies with the rules and regulations of Euronext Dublin and any other listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication in all required newspapers. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

The Note Trustee will also provide a Rating Agency, at its request from time to time, with all notices, written information and reports that the Note Trustee sends or makes available to all Noteholders of any Class or Sub-Class except to the extent that such notices, information or reports contain information confidential to third parties.

17. Miscellaneous

(a) *Governing Law*

The Trust Deed, the Issuer Deed of Charge (except in respect of certain terms that may relate to the creation, subsistence or enforcement of security in assets governed by law other than English law), the Notes, the Coupons, the Talons (if any) and the other Issuer

Transaction Documents are, and all non-contractual obligations arising out of or in connection with such documents shall be, governed by English law.

(b) *Third Party Rights*

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

Chapter 14
Pro Forma Final Terms

The Final Terms in respect of each Sub-Class of Notes will be substantially in the following form completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129, AS AMENDED FOR THE ISSUE OF NOTES DESCRIBED BELOW][1]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**EU MIFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [[Directive 2014/65/EU (as amended, "**EU MiFID II**")]/[EU MiFID II]]; and (ii) all channels for

[1] Only include this language where unlisted Notes are being issued

distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [date]

Land Securities Capital Markets PLC
£7,000,000,000 Multicurrency Programme for the issuance of Notes (the "Programme")
Issue of [*Sub-Class*] [*Aggregate Nominal Amount of Sub-Class*] [*Title of Notes*]

Legal entity identifier (**LEI**): 213800ZNMO2OSVLXAK89

Part A - Contractual Terms

Defined terms used herein shall bear the same meanings ascribed to them in the Conditions set forth in the Base Prospectus dated 20 July 2022 [and the supplement[s] to the Base Prospectus dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation (the "**Base Prospectus**"). [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information.][2] The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/).

[*The following alternative language applies if the first Sub-Class of an issue which is being increased was issued under an Offering Circular or Base Prospectus issued prior to the current Base Prospectus.*]

[2] Where the Note is (i) not the subject of a public offer which requires the publication of a prospectus under the EU Prospectus Regulation and (ii) not listed on the Official List of Euronext Dublin and not admitted to trading on the regulated market of Euronext Dublin or on any other regulated market in the EEA, all references to the EU Prospectus Regulation and final terms for the purposes of the EU Prospectus Regulation, shall be deleted.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the [Offering Circular/Base Prospectus] dated [2 November 2004]/[18 September 2006]/[15 July 2016]/[2 August 2017] which are incorporated by reference in the Base Prospectus dated 20 July 2022. [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 20 July 2022 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information]2. The Base Prospectus has been published on the website of Euronext Dublin (https://live.euronext.com/).

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub paragraphs. Italics denote directions for completing the Final Terms.*]

1.	Issuer:		**Land Securities Capital Markets PLC**
2.	(i)	Series Number:	
	(ii)	Sub-Class Number:	[ ]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [date]][Not Applicable]
3.	Relevant Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Sub-Class:	[ ]
5.	(i)	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (in the case of fungible issues only, if applicable)
6.	Yield:		
	Indication of yield:		[ ] (*Fixed Rate Notes only*)

			The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield
7.	Specified Denominations:		[ ] [3]Note – *Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed*: *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."* *(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the EU Prospectus Regulation the €100,000 or equivalent minimum denomination is not required.)* *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made). Notes which have a maturity of less than one year must have a minimum redemption value of €100,000 (or its equivalent in other currencies), and in any case all Notes will have a minimum denomination of not less than €100,000 (or its equivalent in other currencies).*
8.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[*Specify/Issue Date/Not Applicable*] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*)

[3] Delete if notes being issued are in registered form

9.	Maturity Date:	[*specify date or for Floating Rate Notes - Note Payment Date falling in [the relevant month and year]*]
10.	Interest Basis:	[[ ] per cent. Fixed Rate] [[EURIBOR/SONIA] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Indexed Linked Interest]
11.	Change of Interest Basis:	[Applicable/[Not Applicable/Applicable (in accordance with Condition 6(f) (Interest Rate Step-Up) (see paragraph 17 below)]
12.	Redemption[/Payment] Basis:	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount] [Indexed Linked Redemption]
13.	Call Options:	[Issuer Call Option][Not Applicable] [(further particulars specified below)]
14.	[Date [Board] approval for issuance of Notes obtained:	[ ] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable/Applicable subject to Condition 6(f) (Interest Rate Step-Up) (see paragraph 17 below)] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Rate:	[ ] per cent. per annum payable in arrear on each Note Payment Date
	(ii)	Issue Spread:	[ ] per cent. per annum
	(iii)	Interest Determination Date:	[ ] in each year][Not Applicable] (*insert regular Note Payment Dates, ignoring issue date or*

maturity date in the case of a long or short first or last coupon – only relevant where day count fraction is Actual/ Actual (ICMA))

(iv) Note Payment Date(s): [ ], [ ], [ ] and [ ] in each year [adjusted in accordance with [*specify Business Date Convention and applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*]

(v) First Note Payment Date: [ ]

(vi) Fixed Coupon Amount[(s)]: [ ] per [ ] in Nominal Amount

(*Applicable to Notes in definitive form*)

(vii) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)*] [Not Applicable]

(*Applicable to Notes in definitive form*)

(viii) Day Count Fraction: [Actual/Actual ICMA]
[Actual/Actual or Actual/Actual - ISDA]
[Actual/365 or Actual/Actual]
[Actual/365 fixed] [Actual/360]
[30/360 or 360/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]

(ix) Reference Gilt: [ ]

16. **Floating Rate Note Provisions** [Applicable/Not Applicable/Applicable subject to Condition 6(f) (Interest Rate Step-Up) (see paragraph 17 below)]

(*If not applicable, delete the remaining sub paragraphs of this paragraph*)

(i) Note Payment Dates: [ ], [ ], [ ] and [ ] in each year [adjusted in accordance with the Business Day Convention set out in (iii) below/ not subject to any adjustment as the Business Day Convention in (iii) below is specified to be Not Applicable

(ii) First Note Payment Date: [ ]

(iii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(v)	Party responsible for calculating the Rate(s) of Interest, Interest Amount(s) and Redemption Amount (if not the Agent Bank):	[ ]
(vi)	Screen Rate Determination:	[Applicable/Not Applicable]
	– Relevant Rate:	[Applicable/Not Applicable] [Compounded Daily SONIA] [[ ] month [EURIBOR]]
	– Observation Method:	[Lag/Observation Shift/Not Applicable]
	– Lag Period:	[5 / [ ] [London Banking Days] [Not Applicable]
	– Observation Shift Period:	[5 / [ ] [London Banking Days] [Not Applicable] (*NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Agent Bank)*
	– Interest Determination Date(s):	[ ]
	– Relevant Screen Page:	[ ]
(vii)	ISDA Determination:	[Applicable/Not Applicable]
	- ISDA Definitions	[2000 ISDA Definitions] / [2021 ISDA Definitions]

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date: [ ]

– Compounding [Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)

– Compounding Method: [Compounding with Lookback

Lookback: [•] Applicable Business Days (*must be an amount not less than 5*)]

[Compounding with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business Days (*must be an amount not less than 5*)

Observation Period Shift Additional Business Days: [•] / [Not Applicable]]

[Compounding with Lockout

Lockout: [•] Lockout Period Business Days (*must be an amount not less than 5*)

Lockout Period Business Days: [•]/[Applicable Business Days]]

– Averaging: [Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)

– Averaging Method: [Averaging with Lookback

Lookback: [•] Applicable Business Days (*must be an amount not less than 5*)]

[Averaging with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business days (*must be an amount not less than 5*)

			Observation Period Shift Additional Business Days: [•]/[Not Applicable]] [Averaging with Lockout Lookout: [•] Lockout Period Business Days (*must be an amount not less than 5*) Lockout Period Business Days: [•]/[Applicable Business Days]] (*In the case of a EURIBOR based option, the first day of the Note Interest Period*)
	(viii)	Linear Interpolation:	[Not Applicable/Applicable - the Interest Rate for the [long/short] [first/last] Note Interest Period shall be calculated using Linear Interpolation (*specify for each short or long note interest period*)]
	(ix)	Margin(s):	[[+/-][ ] per cent. per annum] [Not Applicable]
	(x)	Minimum Interest Rate:	[Specify/Not Applicable]
	(xi)	Maximum Interest Rate:	[Specify/Not Applicable]
	(xii)	Day Count Fraction:	[Actual/Actual ICMA][Actual/365 or Actual/Actual - ISDA] [Actual/365 fixed] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis][30E/360 (ISDA)]
	(xiii)	Additional Business Centre(s):	[ ]
	(xiv)	Relevant Financial Centre:	[ ]
	(xv)	Relevant Time:	[ ]
	(xvi)	Specified Duration:	[ ]
	(xvii)	Representative Amount:	[ ]
17.	**Interest Rate Step-Up (Condition 6(f))**		[Floating Rate Step-Up Applicable] / [Fixed Rate Step-Up Applicable] / [Not Applicable]
	(i)	Note Step-Up Rate:	[ ] per cent.

	(ii)	Note Step-Up Date:	[insert date prior to Maturity Date]
	(iii)	Margin (for purposes of Condition 6(f)):	[ ] per cent.
18.	**Zero Coupon Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Accrual Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
19.	**Indexed Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Index:	[RPI/HICP]
	(ii)	Base Index Figure:	[ ]
	(iii)	Index Figure applicable to:	[particular month: paragraph (A) of the definition of "Index Figure applicable" applies] [first calendar day of any month: paragraph (B) of the definition of "Index Figure applicable" applies] [[ ]] in any month: paragraph (C) of the definition of "Index Figure applicable" applies]
	(iv)	Interest Rate:	[ ]
	(v)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	[ ]
	(vi)	Note Payment Dates:	[ ], [ ], [ ] and [ ] in each year [adjusted in accordance with [*specify Business Day Convention and applicable Business*

		Centre(s) for the definition of "Business Day"]/not adjusted]
(vii)	First Note Payment Date:	[ ]
(viii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(ix)	Additional Business Centre(s):	
(x)	Minimum Indexation Factor:	[Not Applicable/*specify*]
(xi)	Maximum Indexation Factor:	[Not Applicable/*specify*]
(xii)	Limited Indexation Month(s):	[ ]
(xiii)	Reference Gilt:	[Not Applicable/*specify*]
(xiv)	Day Count Fraction:	[Actual/Actual ICMA] [Actual/365 or Actual/Actual - ISDA] [Actual/365 fixed] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

20.	**Issuer Call Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[ ]
	(ii) Redemption Amount(s):	[As calculated pursuant to Condition 8(b) the [Swap Mid Curve Amount / Spens Amount / Make-Whole Amount / Fixed Amount plus premium]] [in the case of Optional Date(s) falling [on [ ]] / [in the period from and including [insert date 3 months prior to maturity] / [*other date*] to but excluding [*date*]] [and as calculated pursuant to Condition 8(b) the [Swap Mid Curve Amount / Spens Amount / Make-Whole Amount/ Fixed Amount plus [●] premium] [in the case of Optional Redemption

			Date(s) falling [on [ ] / in the period from and including [*date*] to but excluding [*date*]] [●]
	(iii)	Reference Bond:	[*Insert applicable Reference Bond*/FA Selected Bond/Not Applicable]
	(iv)	Quotation Time:	[ ]
	(v)	Redemption Margin:	[[ ] per cent/Not Applicable]
	(vi)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ][Not Applicable]
		(b) Maximum Redemption Amount:	[ ][Not Applicable]
21.	**Final Redemption Amount**		As set out in Condition 8(a), [ ] per [ ] Nominal Amount [adjusted, in the case of Indexed Notes, in accordance with Condition 7(a)(ii)/7(b)(ii)]
22.	Early Redemption Amount payable on redemption as a result of a Ratings Event or on the occurrence of an Index Event or for tax reasons or on event of default:		As set out in [[Condition 8(c) (Optional Redemption as Result of Ratings Event)]/[Condition 8(d)(i) (Optional Redemption for Index Events:)]/[Condition 8(d)(ii) (Optional Redemption for Taxation Reasons)]/[Condition 11(b) (Issuer Event of Default)]/[ ]] (*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

STATUS AND RANKING OF THE NOTES

23.	Class:	[Class A Notes/Class B Notes/Class R1 Notes/ Class R2 Notes/Subordinated Notes]
24.	Priority:	[Priority 1 Notes/Priority 2 Notes/Subordinated Notes]

25.	If Subordinated Notes, ranking in relation to other Classes of Subordinated Notes:		[*specify*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	(a)	Form of Notes:		[Bearer/Registered/Bearer and Registered]
		(i)	If issued in Bearer form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/for tax reasons] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/ in the limited circumstances specified in the Permanent Global Note/for tax reasons] (*N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[EUR100,000] and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]."*)
		(ii)	If issued in Registered form:	[Global Note Certificate exchangeable for Individual Note Certificates] [Restricted Note]
	(b)	New Global Note/NSS:		[Yes][No]
27.	Additional Financial Centre(s):			[Not Applicable/give details. *Note that this paragraph relates to the date of payment, and not the end dates of Note Interest Periods for the purposes of calculating the amount of interest as previous reference to Note Payment Dates relates*]

28.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

ICL LOAN TERMS

29.	ICL Loan:	[*Insert currency and amount*]
30.	Governing law of relevant ICL Loan:	[ ]
31.	Interest rate on relevant ICL Loan:	(Exceeding the rate payable on the Notes which are the subject of these Final Terms by a margin of 0.01% per annum)
32.	ICL Loan Payment Dates:	[ ] (*N.B. this should normally be five Business Days prior to the Note Payment Date*)
33.	Term of relevant ICL Loan:	[ ]
34.	Priority ranking of relevant ICL Loan:	[ ]
35.	Loan to value ratio:	[ ]
36.	Party responsible for calculating the rate of interest, interest amount(s) and redemption amount:	[ ]
37.	Banks with which the main accounts are held:	[ ]
38.	Relationship between the Issuer and FinCo and details of the principle terms of that relationship:	[ ]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: _____

Duly authorised

Part B
Other Information

1. **LISTING**

(i)	Listing:	[Euronext Dublin /None]
(ii)	Admission to trading:	[Application has been made to Euronext Dublin for Notes to be admitted to the Official List and trading on its regulated market.] [Not Applicable.] (*N.B. Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. **RATINGS**

Ratings:	The Notes to be issued [have been]/[are expected to be] rated [*insert details*] by [Fitch Ratings Limited/S&P Global Ratings Europe Limited/Moody's Investors Service Limited]. [Each of][*defined terms*] [is established in the [European Economic Area/United Kingdom] and is registered under CRA Regulations]. [*Add a brief explanation of the meaning of the ratings if previously published by the ratings provider.*]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE]**

Need to include a description of any interest, including a conflicting one, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests"*]

4. **[REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i)	Reasons for the Offer:	[See "*Use of Proceeds*" in the Base Prospectus/Give Details if reasons for offer are different from what is disclosed in the Base Prospectus] [An amount equal to the net proceeds of the Notes will be used to finance projects and activities that promote climate-friendly and/or other environmental purposes or sustainable or social activities (either in those words or otherwise) ("**Green Projects**")] (*N.B.: If a reason for the offer is included then a representation must be added to the subscription agreement stating that the proceeds will be used as specified in the Final Terms.*)
(ii)	Estimated net proceeds:	[ ]

5. **[PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-Linked Notes only)]**

[*Need to include details of electronic means where information relating to performance and volatility of the index can be obtained, whether free of charge, and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*]

(i)	Name of underlying Index:	[U.K. Retail Prices Index (**RPI**) (all items) published by the Office of National Statistics] / [Non-revised index of Consumer Prices excluding tobacco, measuring the rate of inflation in the European Monetary Union excluding tobacco published by Eurostat (**HICP**)]
(ii)	Information about the Index, its volatility and past and future performance can be obtained from:	More information on [RPI][HICP] can be found at [www.statistics.gov.uk / https://ec.europa.eu/eurostat/web/hicp/data/database / replacing website]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]

6. **OPERATIONAL INFORMATION**

(i)	ISIN:	[ ]

(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not applicable/give name(s) and number(s)]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][4] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common

[4] Include this text for registered Notes

safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)[5]] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers/Class R Underwriters:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*] [In connection with the issue of the Notes, [*name of stabilising institution*] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time / Not Applicable
(iv)	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information will be prepared, "Applicable" should be specified.*)

[5] Include this text for registered Notes

(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information will be prepared, "Applicable" should be specified.*)
(viii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

8. **GREEN BONDS**

(i)	Green Bonds:	[Yes]/[No]
(ii)	[Reviewer(s):]	[Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]]
(iii)	[Date of third party opinion(s):]	[Not Applicable/*give details*]

Chapter 15
Form of the Notes

Form and Exchange – Bearer Notes

Each Sub-Class of Notes (or part thereof) issued in bearer form will be issued either as a Temporary Global Note, without Coupons or Talons attached, or as a Permanent Global Note, without Coupons or Talons attached, in each case as specified in the relevant Final Terms which, in either case, will:

(a) if the Global Notes are intended to be issued in NGN form, as stated in the relevant Final Terms, be delivered on or prior to the original issue date of the of the relevant Sub-Class of Notes to a common safekeeper for Euroclear and Clearstream, Luxembourg; and

(b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the relevant Sub-Class of Notes to a common depositary for, Euroclear and Clearstream, Luxembourg.

The relevant Final Terms in respect of a Sub-Class of Notes (or part thereof) issued in bearer form will also specify whether the TEFRA C Rules or the TEFRA D Rules are applicable in relation to the Notes.

Where the Global Notes issued in respect of any Sub-Class of Notes are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Sub-Class of Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of Notes as being represented by "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons or Talons attached, not earlier than 40 days after the Issue Date of the relevant Sub Class of Notes upon certification as to non-U.S. beneficial ownership of principal and interest. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, payments of principal and interest in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or

(in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(a) presentation (if the Temporary Global Note is not intended to be issued in NGN form) and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office (as defined in the Agency Agreement) of the Paying Agent; and

(b) receipt by the Paying Agent of a certificate or certificates of non-U.S. beneficial ownership issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system,

within 15 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the aggregate initial principal amount of the Temporary Global Note and any Temporary Global Note representing a fungible Sub-Class of Notes with the Sub-Class of Notes represented by the first Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms;

(b) at any time, if so specified in the relevant Final Terms;

(c) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", and if Euroclear or 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 and no successor clearing system is available; or

(d) if the Issuer certifies to the Note Trustee that it has become or will, on the next Note Payment Date for interest or principal, become subject to adverse tax consequences which would not be suffered if the Notes were not represented by a Permanent Global Note.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Paying Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Temporary

Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Sub-Class of Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note so exchanged to the bearer of the Temporary Global Note against the presentation (and, in the case of final exchange, surrender) of the Temporary Global Note at the Specified Office of the Paying Agent within 30 days of the bearer requesting such exchange but not earlier than 40 days after the issue of such Notes.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms;

(b) at any time, if so specified in the relevant Final Terms;

(c) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", and if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so and no successor clearing system is available; or

(d) if the Issuer certifies to the Note Trustee that it has become or will, on the next Note Payment Date, become subject to adverse tax consequences which would not be suffered if the Notes were not represented by a Permanent Global Note.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Paying Agent within 30 days of the bearer requesting such exchange.

Conditions applicable to the Notes

The Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Conditions set out in Chapter 13 "*Terms and Conditions of the Notes*", page 258, above and the provisions of the relevant Final Terms which complete those Conditions.

The Conditions applicable to any Global Note will differ from those Conditions which would apply to the Definitive Note to the extent described under Chapter 16 "*Summary of Provisions relating to the Notes while in Global Form*", page 358, below.

Legend concerning United States persons

The following legend will appear on all Notes (other than Temporary Global Notes), Coupons and Talons relating to such Notes where TEFRA D is specified in the relevant Final Terms: "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."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Form and Exchange – Registered Notes

Global Certificates

Registered Notes held in Euroclear and/or Clearstream, Luxembourg (or another clearing system) will be represented by a Global Note Certificate which will be deposited with a common depositary or, if the Global Note Certificates are held under the NSS, a common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg (or such other relevant clearing system).

Where the Global Note Certificates issued in respect of any Sub-Class of any Notes are intended to be held under the NSS, the relevant Final Terms will indicate whether or not such Global Note Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Sub-Class of Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Global Note Certificate held under the NSS will either by Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Exchange for Individual Note Certificates

The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream, Luxembourg (or 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 (b) at any time at the request of the registered Holder if so specified in the Final Terms.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such will be issued in an aggregate principal amount equal to the principal amount of the Global Note

Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate to the Registrar or the Transfer Agents (as the case may be) of such information as is required to complete and deliver such Individual Note Certificates (including the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar or the Transfer Agent (as the case may be). Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar or the Transfer Agents (as the case may be) may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Transfer Restrictions under Regulation S

Each purchaser of an interest in a Temporary Global Note, a Permanent Global Note, a Regulation S Global Note Certificate or a Regulation S Individual Note Certificate (together, for the purposes of this sub-section, the Notes) and each subsequent purchaser of such an interest or Certificate in resales prior to the expiration of the applicable distribution compliance period (within the meaning of Regulation S), by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, warranted, acknowledged and agreed that:

(a) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) is not a U.S. person as defined in Regulation S and is located outside the United States (within the meaning of Regulation S) and (b) is not an affiliate of the Issuer or a person acting on behalf of such affiliate.

(b) The Notes are being offered and sold in a transaction not involving a public offering in the United States (within the meaning of the Securities Act), and the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

(c) If it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period, it will do so only (a) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S or (b) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with all applicable U.S. state securities laws.

(d) It acknowledges that the Regulation S Global Note Certificates and the Regulation S Individual Note Certificates will bear a legend in substantially the following effect unless otherwise agreed to by the Issuer:

"THE NOTES EVIDENCED BY THIS SECURITY HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF

ANY STATE OR OTHER JURISDICTION. NEITHER THE NOTES EVIDENCED BY THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE RE-OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM OR NOT SUBJECT TO SUCH REGISTRATION."

(e) The purchaser acknowledges that the Issuer, the Registrar, the Note Trustee, the Arranger and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(f) It understands that Registered Notes offered in reliance on Regulation S will initially be represented by one or more Regulation S Global Note Certificates. Prior to the expiration of the distribution compliance period with respect to such Notes, before any interest in the Regulation S Global Note Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Form of Restricted Notes, Transfer Restrictions and Exchange

Form of Restricted Notes

Any Restricted Notes issued under the Programme will be issued in registered, restricted form ("**Restricted Notes**").

Restricted Notes will be represented by interests in a Rule 144A Global Certificate, which will be deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg. Restricted Notes are subject to certain restrictions on transfer and will not be fungible with Restricted Notes of the same Sub-Class which are issued in bearer form.

Transfer Restrictions under Rule 144A

Each purchaser of Restricted Notes, by accepting delivery of this Base Prospectus and the relevant Final Terms, will be deemed to have represented and agreed that this Base Prospectus and the relevant Final Terms were personal to it and did not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Restricted Notes other than pursuant to Rule 144A. Distribution of this Base Prospectus and the relevant Final Terms, or disclosure of any of their contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of their contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser or transferee of Restricted Notes (or beneficial interest therein) by accepting delivery of this Base Prospectus and the Restricted Notes will be deemed to have represented, warranted, acknowledged and agreed that:

(a) The purchaser and each person for which it is acting (a) is a QIB, (b) is aware that the sale of such Restricted Notes (or beneficial interest therein) to it is being made in reliance

on Rule 144A, (c) is acquiring such Restricted Notes (or beneficial interests therein) for its own account or for the account of one or more QIBs as to which the purchaser exercises sole investment discretion and such purchaser or transferee has full power to make, and does make, the acknowledgements, representations and agreements on behalf of each such account contained in (1) to (5) herein, and (d) will provide notice of the transfer restrictions described in this section "— *Transfer Restrictions under Rule 144A*" to any subsequent transferees.

(b) The purchaser understands and agrees that such Restricted Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that such Restricted Notes may be reoffered, resold, pledged or otherwise transferred only (a) to the Issuer; (b) pursuant to a registration statement that has been declared effective under the Securities Act; (c) for so long as the notes are eligible for resale under Rule 144A, to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A; or (d) to a non-U.S. person (as defined in Regulation S) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or in each case in accordance with all applicable securities laws including the securities laws of any state of the United States.

(c) The purchaser is not purchasing such Restricted Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Restricted Notes involves certain risks, including the risk of loss of its entire investment in the Restricted Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Restricted Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Restricted Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(d) In connection with the purchase of the Restricted Notes: (a) none of the Issuer, the Arranger, or any affiliate thereof, the Note Trustee, or any person acting on behalf of the foregoing, is acting as a fiduciary or financial or investment advisor for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Arranger, or any affiliate thereof, the Note Trustee, or any person acting on behalf of the foregoing, other than in this Base Prospectus and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Arranger or any affiliate thereof, the Note Trustee, or any person acting on behalf of the foregoing, has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Restricted Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such

advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Arranger, or any affiliate thereof, the Note Trustee, or any person acting on behalf of the foregoing; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Restricted Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; (f) the purchaser is a sophisticated investor; and (g) the purchaser understands that these acknowledgements, representations and agreements are required in connection with U.S. securities laws and it agrees to indemnify and hold harmless the Issuer, the Arranger, any affiliate thereof, and the Note Trustee from and against all losses, liabilities, claims, costs, charges and expenses which they may incur by reason of its failure to fulfil any of the terms, conditions or agreements set forth above or by reason of any breach of its representations and warranties herein.

(e) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Restricted Notes will be represented by one or more Rule 144A Global Certificates that will bear a legend substantially in the form set out below:

THE NOTES EVIDENCED BY THIS SECURITY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THE NOTES EVIDENCED BY THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE RE-OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THE NOTES EVIDENCED BY THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTES, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (D) TO A NON-U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, SUBJECT TO COMPLIANCE WITH APPLICABLE STATE AND OTHER SECURITIES LAW.

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST DEED HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO THE DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE DEPOSITARY OR ITS NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO ON THE REVERSE HEREOF.

EACH PURCHASER OF NOTES EVIDENCED BY THIS SECURITY OR ANY INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PURCHASER OF NOTES EVIDENCED BY THIS SECURITY OR BOOK-ENTRY INTERESTS HEREIN A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

The purchaser acknowledges that the Issuer, the Registrar, the Note Trustee, the Arranger and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Prospective purchasers are hereby notified that sellers of the Restricted Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Chapter 16
Summary of Provisions relating to the Notes while in Global Form

CLEARING SYSTEM ACCOUNTHOLDERS

References in the Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note or the person shown in the records of the relevant clearing system as the holder of the Global Note Certificate.

Each of the persons shown in the records of 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 Note or a Global Note Certificate (each an "**Accountholder**") must look solely to 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 to such Accountholder and in relation to all other rights arising under the Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. As long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note or the registered holder of the Global Note Certificate, as the case may be.

AMENDMENT TO CONDITIONS

Global Notes will contain provisions that apply to the Notes which they represent, some of which will modify the effect of the Conditions of the Notes as set out in this Base Prospectus. The following is a summary of certain of those provisions:

- *Meetings*: The holder of a Global Note shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each minimum denomination of Notes for which such Global Note may be exchanged.

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

- *Notices*: So long as any Notes are represented by Global Notes, notices in respect of those Notes may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg 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 Ireland. Such notices shall be deemed to have been received by the Noteholders on the day of delivery to such clearing systems.

- *Business Day*: in the case of a Global Note or a Global Note Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) city or cities

specified in the relevant Final Terms; or, if the currency of payment is not euro, any day which is a day on which dealing in foreign currencies may be carried on in the principal financial centre of the country of the currency of payment and in each (if any) additional city or cities specified in the relevant Final Terms.

- *Record Date*: Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the relevant due date for such payment (the "Record Date") where "Clearing System Business Day" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

ELECTRONIC CONSENT

In respect of any Global Note held on behalf of, or Global Note Certificate registered in the name of any nominee for, one or more of Euroclear or Clearstream, Luxembourg, a resolution may be passed by way of electronic consents as further detailed in Condition 15(a).

Chapter 17
Description of the Swap Counterparties

The information contained herein with respect to the Swap Counterparties relates to and has been obtained from each Swap Counterparty, respectively. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of a Swap Counterparty since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

SANTANDER, S.A. (London Branch)

Banco Santander, S.A., London Branch, acting through its office at 2 Triton Square, Regent's Place, London NW1 3AN. Registered Address: Paseo de Pereda 9-12, 39004 Santander, Spain. Registered with the Bank of Spain (Banco de España) under registration number 0049 with CIF A-39000013. Registered in Spain, Banco Santander, S.A., London Branch is authorised and regulated by the Bank of Spain and is deemed authorised under the UK Temporary Permissions Regime by the Prudential Regulation Authority. Banco Santander, S.A., London Branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority."

HSBC BANK PLC

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa.

HSBC Bank plc is authorised by the Prudential Regulation Authority ("**PRA**") and is regulated by the Financial Conduct Authority ("**FCA**") and the PRA. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

LLOYDS BANK CORPORATE MARKETS PLC

Lloyds Bank Corporate Markets plc ("**Lloyds Bank Corporate Markets**") (LEI 213800MBWEIJDM5CU638) is a wholly owned subsidiary of Lloyds Banking Group plc (together with its subsidiary undertakings from time to time, "**Lloyds Banking Group**"), was incorporated under the laws of England and Wales on 28 September 2016 (registration number 10399850) and is authorised by the PRA and regulated by the Financial Conduct Authority and the PRA. Lloyds Bank Corporate Markets' registered office is at 25 Gresham Street, London EC2V 7HN, United Kingdom.

Lloyds Bank Corporate Markets was created in response to the Financial Services (Banking Reform) Act 2013, which took effect from 1 January 2019 and requires the separation of certain commercial banking activities and international operations from the rest of the Lloyds Banking Group.

Lloyds Bank Corporate Markets and its subsidiaries provides deposit taking, lending and transaction banking products and services to customers (both new and existing) and is also responsible for the provision of certain wholesale banking products and services (including loan markets, bonds and asset securitisation and elements of foreign exchange, commodities and rate management). Lloyds Bank Corporate Markets has a client-led strategy, focused on UK based clients and international clients with a link to the UK.

Additional information on Lloyds Bank Corporate Markets, and Lloyds Banking Group's approach to ring-fencing, is available from Investor Relations, Lloyds Banking Group, 25 Gresham Street, London EC2V 7HN or from the following internet website address: http://www.lloydsbankinggroup.com. The information on this website does not form part of this Base Prospectus.

MUFG SECURITIES EMEA PLC

MUFG Securities EMEA plc ("**MUS(EMEA)**") was incorporated in England and Wales on 11 February, 1983, pursuant to the Companies Act 1948 as a company with liability limited by shares. MUS(EMEA) was re-registered as a public limited company on 3 August, 1989. MUS(EMEA)'s registered office is located at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ, and its telephone number is 44 20-7628-5555. MUS(EMEA)'s registration number is 01698498. MUS(EMEA) is authorised by the PRA and regulated by the FCA and the PRA in the UK.

Mitsubishi UFJ Securities Holdings Co., Ltd. ("**MUSHD**"), owns 100 per cent. of the shares in MUS(EMEA). MUSHD is a wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Inc. ("**MUFG**").

MUS(EMEA) is a principal part of the securities and capital markets arm of MUFG and provides a wide range of services in the worldwide securities and derivatives businesses to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. MUS(EMEA) is also engaged in market making and dealing in securities in the international securities markets, in swaps and various other derivative instruments and in the management and underwriting of issues of securities and securities investment.

BNP PARIBAS

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is http://www.bnpparibas.com/en. BNP Paribas, together with its consolidated subsidiaries (the "**BNP Paribas Group**") is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world. It operates in 65 countries and has nearly 190,000 employees, including almost 145,000 in Europe. BNP Paribas SA is the parent company of the BNP Paribas Group.

SUMIMOTO MITSUI BANKING CORPORATION

Sumitomo Mitsui Banking Corporation (SMBC) is a top-tier Japanese bank and core member of Sumitomo Mitsui Financial Group (SMFG), a Tokyo-based bank holding company ranked amongst the largest 25 banks globally by assets under management. The Sumitomo and Mitsui companies began as family businesses in Japan and later became banks; Mitsui in Tokyo in 1876 and Sumitomo in Osaka in 1895. The first European branch of Sumitomo Bank opened in London in 1918. SMBC was established in 2001 following the merger of Sumitomo and Sakura banks, the latter was formed following the earlier mergers of Mitsui, Taiyo and Kobe banks.

The Japanese Financial Services Agency (JFSA) is the 'home' regulator of Sumitomo Mitsui Banking Corporation (SMBC) and has a shared responsibility for regulating branches with the 'host' regulator of individual branches. Whilst the JFSA does not have direct responsibility for individual overseas subsidiaries, it does regulate them indirectly through its responsibilities for SMBC as a whole.

Chapter 18
Taxation

Tax legislation, including in the country where the investor is domiciled or tax resident, and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

UNITED KINGDOM TAXATION

The comments below are of a general nature and should be treated with appropriate caution. They are not, and do not purport to constitute, legal or tax advice.

The following is a summary of the Issuer's understanding of current United Kingdom law and published HMRC practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. The comments are made on the assumption that there will be no substitution of the Issuer pursuant to the Trust Deed or Condition 15(d) (Substitution of the Issuer) and do not consider the tax consequences of any such substitution.

Prospective Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes, whether or not such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Prospective Noteholders who are in any doubt as to their tax position or who may be liable to taxation in any jurisdiction other than the United Kingdom should consult their own professional advisers.

United Kingdom Withholding Tax on Payments of Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. As at the date of this Base Prospectus, Euronext Dublin is a recognised stock exchange. The Issuer's understanding of current HMRC published practice is that the Notes will satisfy this requirement if they are officially listed in the Republic of Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on Euronext Dublin. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty). Where interest has been paid to a Noteholder subject to a deduction for or on account of United Kingdom income tax and such a double tax treaty applies, the Noteholder may be able to recover all or part of the tax deducted pursuant to the provisions of that double tax treaty.

REPUBLIC OF IRELAND

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of Notes and the receipt of interest thereon. This summary deals only with Notes held beneficially as capital assets and does not address special classes of Noteholders such as dealers in securities or those holding the Notes as part of a trade. This summary is not exhaustive and Noteholders are advised to consult their own tax advisors with respect of the taxation consequences of their ownership or disposition. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes and does not carry on a trade in Ireland through a branch or agency or have any other connection with Ireland, other than the listing of the notes on Euronext Dublin. The summary is based on current Irish taxation legislation and the practice of the Irish Revenue Commissioners.

Irish withholding tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments of interest on the Notes except where the interest has an Irish source. The interest could be considered to have an Irish source, where, for example, the payment constitutes yearly interest and such interest is paid out of funds maintained in Ireland or where the Notes are secured on Irish situate assets. The mere offering of the Notes to Irish investors or the listing of the Notes on Euronext Dublin will not cause the interest to have an Irish source.

In certain circumstances, collection agents and other persons receiving interest on the Notes in Ireland on behalf of a Noteholder, will be obliged to operate a withholding tax.

Taxation of interest

Unless exempted, an Irish resident or ordinarily resident Noteholder and a non-resident Noteholder holding Notes through an Irish branch or agency will be liable to Irish taxes, including potentially the universal social charge and social insurance contributions on the amount of the interest received from the Issuer. Credit against Irish tax on the interest received may be available in respect of foreign withholding tax deducted by the Issuer.

Taxation of capital gains

Irish resident or ordinarily resident Noteholders and non-resident Noteholders holding Notes through an Irish branch or agency will be liable to Irish tax on capital gains on any gains arising

on a disposal of Notes. Reliefs and allowances may be available in computing the Noteholder's liability.

Stamp Duty

Transfers of Notes should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or shares in or securities of an Irish registered company.

Capital acquisitions tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. The Notes should only be considered property situate in Ireland if the register of Noteholders is maintained in Ireland or, to the extent that the Notes are issued in bearer form, the bearer certificates are located in Ireland.

Provision of Information

Noteholders should be aware that where any interest or other payment on Notes is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the Noteholder. Where the Noteholder is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

Automatic exchange of information (AEOI)

To the extent that the Issuer may be a Reporting Financial Institution under FATCA and/or the Common Reporting Standard it may require Noteholders to provide it with certain information in order to comply with its AEOI obligations which information may be provided to the UK tax authorities who may in turn exchange that information, in the case of CRS, with the Irish Revenue Commissioners.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, "**a foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect

to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under Condition 1(c) (*Form, Denomination, Title – Fungible Issues of Notes comprising a Sub-Class*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Chapter 19
Subscription and Sale

A. Dealership Agreement

Notes (other than any Class R Notes) may be sold from time to time by the Issuer to any one or more of NatWest Markets and any other Dealer appointed from time to time (the "**Dealers**"). The arrangements under which Notes (other than any Class R Notes) may from time to time be agreed to be sold by the Issuer to, and purchased by, any Dealer are set out in a dealership agreement dated 14 March 2005 as amended and restated on 20 July 2022 (the "**Dealership Agreement**") made between, *inter alios*, the Issuer, the Principal Obligor, the Arranger and each Dealer and the Subscription Agreements relating to each Sub-Class of Notes issued. Any such agreement will, *inter alia*, make provision for the price at which Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series, Class or Sub-Class of Notes.

In the Dealership Agreement, the Issuer, failing which the Principal Obligor and/or each of the Additional Obligors, have agreed to reimburse the Arranger and the Dealers for certain of their expenses in connection with the establishment and maintenance of the Programme and the issue of Notes under the Dealership Agreement. The Issuer has agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Principal Obligor and each of the other Obligors party to the Dealership Agreement (acting jointly and severally) have also agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

B. Class R Underwriting Agreements

The Issuer may (but is not obliged to) enter into underwriting arrangements in relation to the issue of Class R Notes. The Conditions provide that the Issuer may not issue Class R Notes otherwise than in conjunction with the entry into of a Class R Underwriting Agreement (as defined in Condition 8(h)(vi)) (*Definition of "Class R Underwriting Agreement*").

Pursuant to a Class R Underwriting Agreement, the Issuer will be entitled (but not obliged) at its option from time to time during the Underwriting Period (as defined in Condition 8(h)(ii)) (*Issue, repurchases and resales of Class R Notes by Issuer*), without the consent of Noteholders, to resell, or procure the resale of, up to 50% of the aggregate Principal Amount Outstanding of the Class R1 Notes and the Class R2 Notes on any Note Payment Date, on the satisfaction of certain conditions. These conditions will include, in particular, the delivery to the Class R Underwriters of a certificate to the effect that no Issuer Event of Default or Potential Issuer Event of Default has occurred and is subsisting immediately prior to the resale of such Class R Notes. This is the only permitted condition in the case of a resale of Class R Notes in an aggregate amount not exceeding the aggregate amount of Class R Notes then in circulation.

The Conditions will provide that, at any time that any Class R Notes are in circulation, the Issuer shall repurchase such Class R Notes from the holders thereof provided that, if such Class R Underwriters are not then under an obligation to repurchase such Class R Notes from the Issuer on the same Note Payment Date or, if they are, they do not provide to the Issuer the purchase price therefor, the Issuer is not under an obligation to repurchase such Class R Notes.

If, pursuant to the Intercompany Loan Agreement, it becomes necessary to repay on any Note Payment Date any part of a Revolving R1 ICL Loan with the proceeds of a Revolving R2 ICL Loan any Class R Underwriting Agreement will provide that the Issuer will on that Note Payment Date not be able to resell Class R1 Notes to the Class R Underwriters save to the extent to which the proceeds thereof could be lent to FinCo. The amount of the Revolving R1 ICL Loan that shall be lent to FinCo in such circumstances will be that (if any) which, on the basis of the latest P1 Debt Test, will ensure that the T1 Threshold is not breached.

The Class R Underwriters in respect of the Class R2 Notes will, however, be obliged at the Issuer's request to repurchase Class R2 Notes from the Issuer in an aggregate principal amount equal to the aggregate principal amount of Class R1 Notes which were (as described above) not permitted to be resold.

Minimum Ratings

FinCo will be required to ensure that each Class R Underwriter is an entity which has the Minimum Short Term Ratings (from each of the Rating Agencies).

If any Class R Underwriter ceases to have such Minimum Short Term Ratings from any of the Rating Agencies, such Class R Underwriter shall within 30 days of such downgrade take such action, at its own expense, satisfactory to such Rating Agency so that the rating assigned to the Class R1 Notes by such Rating Agencies is not adversely affected by the downgrade.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered or sold, or in the case of Notes in bearer form, delivered, within the United States or to, or for the account or benefit of, US persons, except certain QIBs in reliance on Rule 144A and to certain non-US persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Each of the Dealers and the Class R Underwriters has also represented and agreed in the Dealership Agreement (as the same may be supplemented or modified by agreement of the Issuer and the relevant Dealer(s) in relation to any Sub-Class of Notes as set out in the relevant Final Terms) and will represent and agree in any Class R Underwriting Agreement (as the case may be) that it has not offered or sold, or in the case of Notes in bearer form, delivered, and will not offer, sell or, in the case of Notes in bearer form, deliver, any Notes (i) as part of their distribution

at any time or (ii) otherwise until 40 days after the completion of the distribution of the Sub-Class of which such Notes are part within the United States or to or for the account or benefit of U.S. persons except in accordance with Rule 903 of Regulation S or Rule 144A and, accordingly, that:

(a) neither it nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes;

(b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S; and

(c) neither it nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any general solicitation or any general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with offers and sales of the Notes in the United States.

Each Dealer and Class R Underwriter has undertaken in the Dealership Agreement (as the same may be supplemented or modified by agreement of the Issuer and the relevant Dealer(s) in relation to any Sub-Class of Notes as set out in the relevant Final Terms) and will undertake in any Class R Underwriting Agreement (as the case may be) that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of the Sub-Class of which such Notes are part except in either case in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Until 40 days after the commencement of the offering, an offer or sale of the Notes in the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act.

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

Ireland

Further each Dealer and Class R Underwriter has represented and agreed in the Dealership Agreement, or will represent and agree in any Class R Underwriting Agreement (as the case may be) that:

(a) it has not underwritten and it will not underwrite or place Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) including without limitation Regulation 5 (Requirement for authorization) thereof and will conduct itself in accordance with any codes of conduct drawn up pursuant thereto and the provisions of the Investor Intermediaries Act 1995 (as amended) and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it has not underwritten and it will not underwrite or place Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct made under Section 117(1) of the Central Bank Act 1989 (as amended);

(c) it has not underwritten and will not underwrite or place or do anything in Ireland in respect of Notes otherwise than in conformity with the provisions of the Prospectus Regulation, the European Union (Prospectus) Regulations 2019 of Ireland (as amended) and any rules and guidelines issued under Section 1363 of the Companies Act 2014 by the Central Bank;

(d) it has not underwritten and will not underwrite or place or otherwise act in Ireland in respect of Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended), the Market Abuse Directive or Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended) and any rules and guidance issued (or deemed issued) by the Central Bank under Section 1370 of the Companies Act 2014;

(e) any issue of the Notes with a legal warranty of less than one year will be carried out in strict compliance with the Central Bank's implementation notice for credit institutions BSD C 01/02 of 12 November 2002 (as may be amended, replaced or updated from time to time) and issued pursuant to Section 8(2) of the Central Bank Act 1971 (as amended);

(f) in respect of any Notes that are not listed on any recognised stock exchange:

  (i) its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction; and

  (ii) it will not knowingly offer to sell such Notes to an Irish resident, or to persons whose usual place of abode is Ireland, and it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes; and

(g) in connection with offers or sales of Notes, it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of

such Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area . For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area, each Dealer and Class R Underwriter will be required to represent and agree in the Dealership Agreement, or will represent and agree in any Class R Underwriting Agreement (as the case may be), that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers in or Class R Underwriters nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer or Class R Underwriter to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Propsectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer and Class R Underwriter will be required to represent and agree in the Dealership Agreement, or will represent and agree in any Class R Underwriting Agreement (as the case may be), that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers in or Class R Underwriters nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer or Class R Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each of the Dealers and the Class R Underwriters has represented in the Dealership Agreement and will represent in any Class R Underwriting Agreement (as the case may be), *inter alia*, that:

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

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

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

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer and Class R Underwriter has represented and agreed and each further Dealer and Class R Underwriter appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possess, distributes or publishes this Base Prospectus or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Note Trustee nor any of the other Dealers or Class R Underwriters shall have any responsibilities therefor. No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

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

Chapter 20
General Information

1. The establishment of the Programme and the issue of the Notes thereunder were duly authorised by resolutions of the board of directors of the Issuer passed on 29 October 2004. The increase of the Maximum Amount and the update of the Programme for 2006 were duly authorised by a resolution of the board of directors of the Issuer passed on 14 September 2006. The update of the Programme on the date of this Base Prospectus was duly authorised by a resolution of the board of directors of the Issuer passed on 14 July 2022. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

2. It is expected that each Sub-Class of Notes which is to be admitted to trading on the regulated market of, and listed on, Euronext Dublin will be admitted and listed separately as and when issued, subject only (in the case of Bearer Notes) to the issue of the Temporary Global Notes, or, as the case may be, Permanent Global Notes. Admission to trading on the regulated market of, and listing on, Euronext Dublin in respect of the Notes is expected to be granted on or shortly after the date of this Base Prospectus. The estimated expense of admission to trading on the regulated market of, and listing on, Euronext Dublin is €11,640.

3. However, Notes may also be issued pursuant to the Programme which will not be admitted to trading on the regulated market of, or be listed on, Euronext Dublin or any other regulated market in a Member State of the European Union or the United Kingdom or any stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealers (or Class R Underwriters) may agree.

4. It is expected that Notes issued under the Programme will be accepted for clearance through Euroclear and Clearstream, Luxembourg. If any Notes are to clear through an additional or alternative clearing system, the appropriate information for each Sub-Class of Notes will be specified in the relevant Final Terms.

5. Neither the Issuer, FinCo or Land Securities Group PLC is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or FinCo or Land Securities Group PLC are aware) in the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past, a significant effect on the financial position or profitability of the Issuer, FinCo or the Landsec Group.

6. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in its ordinary course of business.

7. Since the date of its incorporation, FinCo has not entered into any contracts or arrangements not being in its ordinary course of business.

8. CBRE Limited of registered address Henrietta House, Henrietta Place, London, W1G 0NB are the independent valuers of the Landsec Group and the Security Group Estate and have valued the assets of the entire Security Group Estate. The Valuation has been

prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the Red Book) current as at the valuation date. The properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book. At the request of the Issuer, CBRE Limited has given and not withdrawn its written consent to the inclusion herein of its report or review or references to it, as applicable, in the form and context in which it appears for the purpose of the Base Prospectus. CBRE Limited has no material interest in the Issuer or FinCo.

9. There has been no significant change in the financial performance or position of FinCo since 31 March 2022, the end of the last financial period for which the audited financial statements of FinCo have been published.

10. There has been no significant change in the financial performance or position of the Issuer or the Landsec Group since 31 March 2022, the end of the last financial period for which the audited financial statements of the Issuer and the Landsec Group have been published.

11. There has been no material adverse change in the prospects of FinCo since 31 March 2022, the date of its last published audited financial statements.

12. There has been no material adverse change in the prospects of the Issuer or Land Securities Group PLC since 31 March 2022, the date of the last published audited financial statements of the Issuer and Land Securities Group PLC.

13. For so long as the Programme remains in effect or any Notes are outstanding, copies of the following documents will, when published or executed, be available for inspection at https://landsec.com/investorsdebt-investors/corporate-debt-structure, save where an alternate location is stated below:

    (a) the Memorandum and Articles of Association of the Issuer (accessible at https://find-and-update.company-information.service.gov.uk/company/05193511/filing-history), FinCo (accessible at https://find-and-update.company-information.service.gov.uk/company/05163698/filing-history), and Land Securities Group PLC (accessible at https://find-and-update.company-information.service.gov.uk/company/04369054/filing-history);

    (b) copies of the following documents*:*

        (i) this Base Prospectus (which, for the avoidance of doubt, includes the latest Valuation of the Estate as set out in Chapter 12 "*Valuation of the Estate*", as at 31 March 2022, page 257, above);

        (ii) any Final Terms relating to the Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (in the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation

system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders); and

(iii) the Trust Deed;

(c) copies of the following documents, which may be inspected in physical form during usual business hours (upon the giving of at least 24 hours' notice) at the Specified Offices of the Irish Paying Agent and at the registered office of the Issuer:

(i) the Agency Agreement;

(ii) the Issuer Deed of Charge;

(iii) the Intercompany Loan Agreement;

(iv) the Security Trust and Intercreditor Deed;

(v) the Obligor Floating Charge Agreement;

(vi) the Common Terms Agreement;

(vii) the Initial Standard Securities;

(viii) the Account Bank and Cash Management Agreement;

(ix) the Tax Deed of Covenant;

(x) any transfers of Mortgaged Properties owned by Obligors that are partners in UK partnerships or are incorporated in Jersey;

(xi) the Trust Agreements for each such title; and

(xii) the Beneficiary Undertakings in relation to Mortgaged Properties beneficially owned by Obligors that are UK partnerships or are incorporated in Jersey.

14. Ernst & Young LLP are the independent auditors of the Issuer, FinCo and Land Securities Group PLC and have audited the financial statements of each of the Issuer, FinCo and Land Securities Group PLC for each of the financial years ended 31 March 2021 and 31 March 2022 and, in each case, reported thereon without qualification. Ernst & Young LLP is registered to perform audit work by the Institute of Chartered Accountants in England and Wales. Ernst & Young LLP's address is 1 More London Place, London SE1 2AF, United Kingdom.

15. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the

Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Glossary of Defined Terms

The following terms that are used in this Base Prospectus have the following meanings:

"**Acceleration**"	means an acceleration of the Secured Obligations (or equivalent action) including, in the case of: (a) any Loan (other than any Contingency Bond), the declaration that the principal amount thereof is immediately due and payable on demand and the making of a demand therefor; (b) any Contingency Bond, demanding that the liability of each Obligor thereunder be immediately collateralised by paying to the Obligor Security Trustee a sum equal to the maximum contingent liability thereunder; (c) any Swap Agreement, the early termination of any obligations (whether by reason of an event of default, termination event or other right of early termination) thereunder; or (d) any finance lease, the termination of the same by the lessor or the demand by the same for the prepayment of all amounts due to accrue thereunder, (and "**Accelerate**" shall be construed accordingly).
"**Accepted Restructuring Purpose**"	means the purpose of achieving efficiencies in financing the business operations of the Security Group in anticipation of, or in accordance with, potential or actual changes in (i) law or regulation (including, without limitation the introduction of real estate investment trusts or property investment funds or investment vehicles of a similar nature in the United Kingdom whether or not in accordance with suggestions set out in the HM Treasury and Inland Revenue (now HMRC) consultation paper dated March 2004 entitled "Promoting more flexible investment in property – a consultation"), (ii) practice in relation to the management, holding, or development of, providing Services in relation to or investment in property or (iii) the taxation law relating to the management, holding, or development of, providing Services in relation to or investment in property.
"**Account Bank**"	means Lloyds Bank plc, acting in such capacity through its office at Bailey Drive, Gillingham Business Park, Gillingham, Kent ME8 0LS, or such other entity or entities appointed as account bank from time to time, subject to and in accordance

	with the terms of the Account Bank and Cash Management Agreement.
"**Account Bank and Cash Management Agreement**"	means the account bank and cash management agreement dated 3 November 2004 and entered into between the Obligors, the Issuer, the Account Bank, the Cash Manager, the Servicer, the Obligor Security Trustee and the Note Trustee.
"**Accounting Principles Confirmation**"	means the confirmation required by the Common Terms to be provided by the Rating Agencies in certain circumstances in order for any Proposed Accounting Principles to be adopted by the Obligors. See "— *Changes in Applicable Accounting Principles*", page 131, above.
"**Accounts**"	means the Issuer Accounts and the Obligor Accounts.
"**ACF**"	means an authorised credit facility.
"**ACF Agreement**"	means the Initial ACF Agreement, an Existing ACF Agreement or a Further ACF Agreement.
"**ACF Loan**"	means the principal amount of each borrowing or contingent liability or other form of Financial Indebtedness of an Obligor under an ACF Agreement.
"**ACF Loan Payment Date**"	means, for any ACF Loan, any date for the payment of interest thereon or the repayment of principal thereof.
"**ACF Provider**"	means an Initial ACF Provider or a Further ACF Provider.
"**ACF Providers' Confirmation**"	means, in respect of any matter, a confirmation from a Representative (of one or more ACF Providers) that it has been duly instructed on such matter by such ACF Provider (or the requisite instructing group of ACF Providers) in accordance with the relevant ACF Agreement.
"**Acquisition**"	means the introduction into the Estate (by way of purchase or otherwise) of any legal or beneficial interest in any real estate and includes any acquisition of shares in any company or other entity which owns any such interest in any real estate property which shall be treated as the acquisition of the interest in the real estate property in question (and "**Acquire**" shall be construed accordingly).
"**Actually Prepay**"	means, in respect of:

(a) a Non-Contingent Loan which is not a Revolving Loan, to repay all or part of the principal of such Financial Indebtedness at a time when such principal would not have been due or repayable but for the delivery of a voluntary notice of prepayment by the relevant borrower; or

(b) a Non-Contingent Loan which is a Revolving Loan, to repay (and not concurrently redraw under the same Loan facility) principal on such loan prior to the service of a Loan Acceleration Notice,

and "**Actually Prepaying**", "**Actual Prepayment**" and "**Actually Prepaid**" are to be construed accordingly.

"**Additional Assets**" with respect to any Obligor, means assets which are included in such Obligor's balance sheet (as contained in its Latest Accounts), excluding:

(a) real estate;

(b) rental income, service charges or other income or recoveries relating to real estate;

(c) an Obligor Account (excluding a Collection Account and any Operating Account) or the debt represented thereby;

(d) prepayments or accruals (including amounts arising by reason of UITF 28);

(e) intercompany debtor balances, guarantees or bonds or Monetary Claims owing between Obligors; and

(f) an asset over which any Encumbrance (other than any floating charge) has been created.

"**Additional Calculation Date**" means, in respect of any Proposed Additional Transaction, each Business Day (selected by the Obligors in accordance with the Common Terms Agreement) upon which the Additional Tier Tests are conducted. See "— *The Additional Tier Tests and Headroom Tests*", page 127, above.

"**Additional LTV**" means, in respect of any Proposed Additional Transaction, the modified LTV calculated on the relevant Additional Calculation Date (which assumes, for the purposes of such calculation, that such transaction completed as of such date).

"**Additional Mortgaged Property**"	means a Nominated Eligible Property which has become part of the Estate following the satisfaction of the relevant conditions set out in the Common Terms Agreement, described in "— *Additional Mortgaged Properties*", page 90, above.
"**Additional Obligor**"	means each nominated Eligible Obligor which has executed (among other things) an Obligor Accession Deed, immediately following the countersignature of that deed by the Obligor Security Trustee and the Note Trustee.
"**Additional Projected ICR**"	means, in respect of any Proposed Additional Transaction, the modified Projected ICR calculated on the relevant Additional Calculation Date (which assumes, for the purposes of such calculation, that such transaction completed as of such date).
"**Additional Tier Determination Date**"	means, in respect of the Additional Tier Tests conducted in respect of any Proposed Additional Transaction: (a) if such Additional Tier Tests will result in a more restrictive Covenant Regime applying, the date immediately before the relevant Proposed Completion Date; or (b) if such Additional Tier Tests will result in the same or a less restrictive Covenant Regime applying, the date upon which all elements of such transaction are completed.
"**Additional Tier Test**"	means, in respect of each Proposed Additional Transaction, the calculations of the Additional LTV, the Additional Projected ICR and (if the Obligors have elected to calculate the Pro Forma Historical ICR in respect of that proposed transaction) the Pro Forma Historical ICR.
"**Adjusted Principal Amount**"	means, in respect of any Financial Indebtedness, the Principal Amount Outstanding of such indebtedness, as calculated in accordance with the principles set out in paragraphs (a) to (d) (inclusive) of the definition of "Security Group Net Debt Outstanding".
"**Affected Class**"	means: (a) in relation to the proposed introduction or change of any Secondary Debt Rank or Primary Debt Rank, each Sub-Class of Notes which corresponds to a Subordinated ICL Loan which, as a result of such

introduction or change, will become subordinated in point of security to any other Subordinated ICL Loan or Subordinated ACF Loan to which it is not then subordinated;

(b) in relation to the proposed incurrence of any Subordinated Debt after a Subordinated Debt Split, each Sub-Class of Notes which corresponds to a Subordinated ICL Loan that will be subordinate in point of security to the Subordinated Debt proposed to be drawn;

(c) in relation to the proposed change of the Primary Debt Rank of any ICL Loan, the Sub-Class of Notes which corresponds to such Loan; and

(d) in relation to any proposal to use funds standing to the credit of a DCA Ledger in respect of an ICL Loan to Prepay any Loan other than such ICL Loan, the Sub-Class of Notes which corresponds to such ICL Loan.

"**Agency Agreement**" means the amended and restated agency agreement dated 20 July 2022 (as amended and restated and/or supplemented from time to time) and entered into between the Issuer, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agents and the Note Trustee.

"**Agent Bank**" means Deutsche Bank AG, London Branch, acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, or such other entity or entities appointed as agent bank from time to time, subject to and in accordance with the terms of the Agency Agreement.

"**Agents**" means the Paying Agents, the Agent Bank, the Registrar, the Transfer Agent or any other agent appointed by the Issuer pursuant to the Agency Agreement.

"**Aggregate Credit Balance**" means the sum of:

(a) the aggregate credit balances (if any) on all Operating Accounts (excluding, for the avoidance of doubt, the Collection Accounts);

(b) the credit balances (if any) on the Collection Accounts (to the extent that the same exceeds the aggregate of all outstanding Rental Loans and Servicer Loans); and

(c) any sum which would, but for any technical or administrative error in the transmission of funds only, be standing to the credit of a Collection Account or an Operating Account.

"**Aggregate Projected Development Cost**"	means, at any time, the aggregate projected actual cost to the Obligors (excluding finance charges or allocation of overheads) of carrying out all Development Projects (as determined by the Obligors acting in good faith), to the extent that such cost is committed pursuant to building contracts in respect of Development Projects and would be committed pursuant to the proposed building contract which has resulted in the requirement to run the Development Test; such projected cost to exclude provisions for contingencies, sums already spent and costs which are to be met by a third party pursuant to a forward funding or forward sale agreement in respect of which any condition precedent to the commencement of the Development Projects has been satisfied.
"**Agreed Form of Certificate of Title or Report on Title**"	means a certificate of title or report on title, in substantially the form of the document entitled "Form of Report on Title" initialled (for identification purposes only) on or about the Exchange Date by the Principal Obligor and the Obligor Security Trustee, such other form of certificate of title or report on title as may be approved by the Obligor Security Trustee or the then current City of London Law Society approved form of certificate on title.
"**Agreed Form of Global Consent Letter**"	means a global consent letter in respect of a Nominated Eligible Property (which, in the case of a Nominated Eligible Property located in England or Wales is to be lodged at the Land Registry following completion of an Additional Mortgaged Property transaction in accordance with "Additional Mortgaged Properties", page 71 above, in the form agreed between the Obligors and the Obligor Security Trustee from time to time.
"**Agreed Form of Legal Opinion**"	means the legal opinions required to be given in respect of certain matters under the Common Terms Agreement or the Security Trust and Intercreditor Deed, from time to time, in the forms agreed between the Obligors and the Obligor Security Trustee from time to time (or, in the case of Further Credit Assets, between the Obligors, the Obligor Security Trustee and the Rating Agencies).

"**Agreed Form of RM Security Structure Documents**"	means the forms of RM Security Structure Documents entered into on the Exchange Date in respect of the Initial RM Properties, or such other forms of RM Security Structure Documents as may be agreed between the Obligors and the Obligor Security Trustee from time to time.
"**Agreed Form of Security**"	means: (a) in the case of property situated in England and Wales, a first-ranking charge by way of a legal mortgage; (b) in the case of property situated in Scotland, a Standard Security; (c) in the case of property situated outside England, Wales and Scotland, such other form of security as may be agreed from time to time between the Obligors and the Obligor Security Trustee as being, for the purposes of the Common Terms Agreement and the Security Trust and Intercreditor Deed, equivalent in all material respects to a first-ranking charge by way of a legal mortgage over property situated in England and Wales; (d) in the case of shares, such form of security as (in the case of shares in companies incorporated in England and Wales, Scotland or Jersey) is customarily used to create a first ranking fixed charge or (in the case of shares in any other companies) may be agreed from time to time between the Obligors and the Obligor Security Trustee as being, for the purposes of the Common Terms Agreement and the Security Trust and Intercreditor Deed, equivalent in all material respects to a first ranking fixed charge over shares in companies incorporated in England and Wales; or (e) in the case of any Further Credit Asset, such form of security as has been agreed between the Obligors, the Obligor Security Trustee and the Rating Agencies in respect of that Further Credit Asset.
"**Agreed Form of Security Document**"	means a document which creates an Agreed Form of Security and which is in a form agreed between the Obligors and the Obligor Security Trustee from time to time.
"**Allocated Debt**"	means, in relation to a Mortgaged Property, the Security Group Net Debt Outstanding (as calculated as of the latest Tier Test Calculation Date) multiplied by a fraction, the

numerator of which is the Market Value of the relevant Mortgaged Property and the denominator of which is the Total Collateral Value (as calculated as of the latest Tier Test Calculation Date).

"**Allocated Debt Amount**" means, in relation to a Mortgaged Property, 130% of the Allocated Debt relating thereto.

"**Amortisation Determination Date**" means a day which is:

(a) the second Business Day preceding the first day upon which the Obligors become required to Prepay Non-Contingent Loans in accordance with a Mandatory Prepayment Provision (other than the DPA Prepayment Provision); and

(b) as of which there is no continuing obligation to make Prepayments in accordance with any other Mandatory Prepayment Provision (other than the DPA Prepayment Provision).

"**Amortisation Schedule**" means, at any date, a notional quarterly amortisation schedule (calculated on a 25-year mortgage annuity basis, irrespective of the actual maturity of any Loans then outstanding with payment dates falling on successive Financial Quarter Dates throughout the 25-year period) in respect of an amount of debt equal to the Adjusted Principal Amount of Priority 1 Debt and Priority 2 Debt incurred pursuant to Non-Contingent Loans outstanding at such date (ignoring any such debt that has been Collateralised other than pursuant to any of the Mandatory Prepayment Provisions), assuming an interest rate over the 25-year period equal to the then current yield to maturity (at the time of preparation of such schedule) on the UK gilt with the maturity closest to the end of that period plus 1% and rounded up to the nearest 1/2%.

"**Applicable Accounting Principles**" means either generally accepted accounting principles in the United Kingdom (as applied by the Obligors as of the Exchange Date) or such other accounting principles as may be adopted by the Obligors for certain purposes under the Obligor Transaction Documents in accordance with the Common Terms Agreement. See "— *Changes in Applicable Accounting Principles*", page 131, above.

"**Approved Blocked Account**" means any Obligor Account (other than the Income Replacement Account and any Development Account) so

designated as a blocked account by the Obligors and approved as such by the Obligor Security Trustee.

"**Approved Firm**" In relation to a required legal opinion, means a firm of lawyers from the panel of lawyers agreed between the Principal Obligor and the Obligor Security Trustee from time to time, the firm proposed by the Obligors in respect of that legal opinion to be specifically approved for that purpose by the Obligor Security Trustee in advance; for these purposes the initial agreed panel is (a) in relation to matters of English law, Slaughter and May, Clifford Chance LLP, Allen & Overy LLP, Linklaters, Freshfields Bruckhaus Deringer, Ashurst, SJ Berwin, Nabarro Nathanson (now CMS Cameron McKenna Nabarro Olswang LLP), Dechert LLP, Eversheds LLP, Stephenson Harwood LLP, DAC Beachcroft LLP, Walker Morris LLP (in respect of Trinity, Leeds only) and Berwin Leighton Paisner LLP; (b) in relation to matters of Scots law, Dundas & Wilson CS LLP, Tods Murray and DLA Piper Scotland LLP; and (c) in relation to matters of Jersey law, Mourant de Feu and Carey Olsen, in each case including successors to these firms or any firm arising as a result of a merger entered into by one or more of these firms.

"**Approved Jurisdiction**" in respect of an Obligor, a proposed Additional Obligor or a partnership of Obligors means:

(a) as to the management or tax residence of such Obligor or proposed Additional Obligor or a partnership of Obligors that is incorporated or established in England and Wales, Scotland or Jersey: England and Wales or Scotland; or

(b) as to the place of incorporation, establishment or tax residence of such Obligor or proposed Additional Obligor (in each case, outside Great Britain): any jurisdiction nominated by such Obligor in respect of which (1) legal (including as to insolvency and security) opinions satisfactory to the Rating Agencies can (on the basis of applicable laws and the interpretation thereof) be given in respect of, among other things, its ownership (were it to be an Obligor) of Mortgaged Properties and (2) a tax opinion (or tax opinions) satisfactory to the Rating Agencies can be given to the Obligor Security Trustee and the Dealers addressing relevant tax issues arising from the introduction into the Security Group of such proposed Additional Obligor and its intended activities. (Note that such opinions were delivered to the Obligor

Security Trustee by Jersey counsel in connection with the addition to the Estate of certain Mortgaged Properties held by Jersey Property Unit Trusts.)

"**Approved Property Manager List**"	means the list of property managers, each of which shall be a suitable company in the business of real estate acting through an individual who shall be a fellow of the Royal Institution of Chartered Surveyors of at least 10 years' experience of commercial property in the United Kingdom, agreed between the Principal Obligor and the Obligor Security Trustee from time to time (or, in the absence of agreement, such list as formulated by the Obligor Security Trustee).
"**Auditors**"	means PricewaterhouseCoopers LLP, Ernst & Young LLP or such other international or other leading United Kingdom firm of auditors chosen by the Principal Obligor and notified to the Obligor Security Trustee and the Note Trustee from time to time.
"**Authorised Signatory**"	means an officer of any of the Obligors who appears on the list of authorised signatories for the purpose of executing certificates pursuant to the Common Terms Agreement and the Security Trust and Intercreditor Deed (other than Compliance Certificates, the certification of Dormant Obligor status and any other certificate which is specifically required to be given by the directors) which has been delivered by the Obligors to the Obligor Security Trustee (as such list may be amended or updated by a director of the Principal Obligor from time to time).
"**Available Cash**"	means, in respect of the Security Group Pre-Enforcement Priority of Payments on any day, all amounts (other than Swap Excluded Amounts) that can be, and are, drawn that day from loan facilities which may be applied, and the sum of all credit balances on all Obligor Accounts to the extent available to be withdrawn in accordance with the Obligor Transaction Documents, in each case for the purpose of making payments in respect of the Security Group Pre-Enforcement Priority of Payments (and to the extent that funds in certain Obligor Accounts may be withdrawn for the purpose of making payments under a particular item in the Security Group Pre-Enforcement Priority of Payments, the Obligor shall be entitled to apply such funds as have been withdrawn as Available Cash towards payment of such particular item in the Security Group Pre-Enforcement Priority of Payments).

"**Basic Terms Modifications**"	has the meaning given to it in "— *Basic Terms Modifications*", page 183, above.
"**Bearer Notes**"	means those Notes issued in bearer form.
"**Beneficiary Undertaking**"	means a deed so entitled whereby an Obligor (or Obligors who are partners in a partnership that is not itself an Eligible Obligor) that own(s) the beneficial interest in a Mortgaged Property give(s) certain undertakings to, among others, the Obligor Security Trustee.
"**Blocking Right**"	has the meaning given to it in "— *Blocking Rights*", page 197, above.
"**Business Day**"	means, unless the context otherwise requires, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.
"**Buyback**"	means, in respect of an ICL Loan, the deemed repayment of all or part of the principal of such ICL Loan in accordance with the Common Terms Agreement upon the acquisition (by FinCo) of Notes which correspond to such Loan, the surrender of such Notes to the Issuer and their cancellation. See "— *Prepayment of Non-Contingent Loans*", page 115, above.
"**Calculation Agency Agreement**"	means an agreement pursuant to which any calculation agent is appointed, which is in the form of or substantially in the form of Schedule 1 to the Agency Agreement, and which sets out the responsibilities of the calculation agent and the circumstances in which the appointment may be terminated.
"**Calculation Agent**"	means a calculation agent appointed in respect of any Notes, and named in the relevant Final Terms as such, under a Calculation Agency Agreement.
"**Calculation Certificate**"	means a certificate as to the results of one or more of the Calculation Tests delivered by the Obligors to the Obligor Security Trustee under the Common Terms Agreement from time to time. See "— *Calculation Certificates*", page 130, above.
"**Calculation Date**"	means a Scheduled Calculation Date, an Additional Calculation Date, an Optional Calculation Date or a Transaction LTV Calculation Date.

"**Calculation Period**"	means a Historical Calculation Period or a Forward-Looking Calculation Period.
"**Calculation Test**"	means the Tier Tests, the P1 Debt Test, the Additional Tier Tests, the Transaction LTV Test and the Headroom Tests.
"**Cash Manager**"	means Land Securities (Finance) Limited in its capacity as cash manager for the Obligors and the Issuer, or such other entity or entities appointed as cash manager from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement.
"**Central Bank**"	means the Central Bank of Ireland in its capacity as competent authority pursuant to the EU Prospectus Regulation.
"**Certificate of Title**"	means: (a) in relation to a Mortgaged Property introduced or to be introduced to the Estate on or before the Exchange Date, a certificate of title prepared by Nabarro Nathanson (now CMS Cameron McKenna Nabarro Olswang LLP) or Dechert LLP (in the case of Mortgaged Properties located in England or Wales) or Dundas & Wilson CS LLP (in the case of Mortgaged Properties located in Scotland); and (b) in relation to any Additional Mortgaged Property, a certificate of title prepared by an Approved Firm. (c)
"**CGT Group**"	means a group for the purposes of section 170 of the Taxation of Chargeable Gains Act 1992.
"**CHAPS**"	means the Clearing House Automated Payments System.
"**Change of Control Event**"	means either of (a) the acquisition of control of Land Securities Group PLC by one or more persons acting in concert (where "control" means the ability to direct the affairs of Land Securities Group PLC (whether by virtue of the ownership (direct or indirect) of shares and/or by contract and/or by any other means) (excluding any such acquisition of control pursuant to a scheme of arrangement or composition pursuant to which the beneficial owners of the shares of any company which directly or indirectly owns the shares of Land Securities Group PLC are substantially the same persons as those who beneficially held the shares of

Land Securities Group PLC prior to such scheme or composition), or (b) the members of the Security Group are no longer under the Common Control of Land Securities Group PLC.

"**Change of Control Period**" means the period between the occurrence of a Change of Control Event (unless the Ratings Test has been satisfied in respect of such event) and the first Ratings Affirmation to occur after such event.

"**Change of Control Prepayment Provision**" means the provision of the Common Terms Agreement that will require the Obligors to Prepay Non-Contingent Loans in accordance with the most recent Amortisation Schedule for so long as certain LTV thresholds are breached while a Change of Control Period applies and either the T1 Covenant Regime or the T2 Covenant Regime applies. See "— *Due to breach of LTV threshold during Change of Control Period*", page 120, above.

"**Charged Property**" means the property, assets, rights and undertaking of each Obligor that are the subject of the security interests created in or pursuant to the Obligor Security Documents.

"**Class**" means:

(a) in respect of Notes, a reference to a class of Notes, being the Class A Notes, the Class B Notes, the Class R1 Notes, the Class R2 Notes or any class of Subordinated Notes designated as a Class of Notes pursuant to a Final Terms;

(b) in respect of Noteholders, Noteholders holding a particular Class of Notes;

(c) in respect of ACF Providers, the ACF Providers of ACF Loans ranking in point of security *pari passu* with each other (and in the case where multiple ACF Providers (under a single ACF Agreement) are making multiple ACF Loans ranking in multiple points of security, an ACF Provider shall belong to a Class of ACF Providers to the extent it has made an ACF Loan ranking in a particular point of security, together with other ACF Providers making ACF Loans ranking at the same point of security under different ACF Agreements (if any));

(d) in respect of Debtholders, a Class of ACF Providers together with the Class of Noteholders holding Notes

in respect of which the corresponding ICL Loans rank *pari passu* with the ACF Loans from such Class of ACF Providers; and

(e) in respect of Qualifying Debtholders, a Class of Debtholders who are Qualifying Debtholders.

"**Class A Notes**" means any Notes designated as such pursuant to a Final Terms and issued on the Exchange Date or thereafter.

"**Class B Notes**" means any Notes designated as such pursuant to a Final Terms and issued after the Exchange Date.

"**Class R Agent**" means any agent for any Class R Underwriter acting in such capacity.

"**Class R Notes**" means Class R1 Notes and/or Class R2 Notes (as the context requires).

"**Class R1 Notes**" means revolving notes designated as such pursuant to a Final Terms and issued after the Exchange Date.

"**Class R2 Notes**" means revolving notes designated as such pursuant to a Final Terms and issued after the Exchange Date.

"**Class R Underwriters**" means any underwriter of the Class R Notes appointed from time to time by the Issuer in accordance with a Class R Underwriting Agreement.

"**Class R Underwriting Agreement**" means any underwriting agreement entered into after the Exchange Date between, *inter alios*, one or more underwriters, FinCo and the Issuer.

"**Clearstream, Luxembourg**" means Clearstream Banking, S.A.

"**Collateralise**" means, with respect to any Non-Contingent Loan, to deposit, into the Debt Collateralisation Account, an amount in respect of all or part of the principal amount outstanding of such Non-Contingent Loan and "Collateralisation" shall be construed accordingly.

"**Collection Account**" means one or more accounts designated as a "Collection Account", held in the name of Land Securities (Finance) Limited and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account(s) so designated in the name of Land Securities (Finance) Limited as may be opened, with the consent of the Obligor Security Trustee, at

	any branch of the Account Bank or at an Eligible Bank in replacement of such account(s).
"**Common Control**"	means, in relation to the Obligors, (a) the control of all of the Obligors by any one person, (b) the majority of the board of directors of all the Obligors being the same individuals and/or legal entities or (c) the management of the Mortgaged Properties of each Obligor being contracted to the same external manager (other than any Property Manager), where, in the case of (a) above, "control" means the ability to direct the affairs of all the Obligors whether by virtue of the ownership (direct or indirect) of shares and/or by contract and/or by any other means.
"**Common Control Covenant**"	means the T1 Covenant of the Obligors not to permit any Obligor to cease to be under Common Control except in accordance with the relevant provisions of the Common Terms Agreement (which provisions are described in "— *Released Obligors*", page 87, above).
"**Common Depositary**"	means Deutsche Bank AG, London Branch.
"**Common Safekeeper**"	means Euroclear or Clearstream, Luxembourg in its capacity as common safekeeper or a person nominated by Euroclear or Clearstream, Luxembourg to perform the role of common safekeeper.
"**Common Terms Agreement**"	means the common terms agreement dated 3 November 2004 and entered into between, *inter alios*, the Original Obligors, the Issuer, the Obligor Secured Creditors, the Note Trustee and the Obligor Security Trustee.
"**Compliance Certificate**"	means each of the certificates to be given to, *inter alios*, the Obligor Security Trustee and the Rating Agencies pursuant to the covenants described in "— *Compliance Certificate*", page 151, above.
"**Concentration Limits**"	means the Sector Concentration Limit, the Geographic Concentration Limit and the Tenant Concentration Limit.
"**Conditions**"	means, in respect of Notes issued under the Programme, the terms and conditions applicable to such Notes as contained in the Trust Deed as amended or supplemented from time to time (in each case as construed together with the relevant Final Terms).
"**Contingency Bond**"	means an ACF Loan by way of a Performance Bond or other contingent liability of any of the Obligors (other than under

	the Guarantees, but including any contingent liability referred to in paragraph (i) of the definition of Financial Indebtedness).
"**Coupon**"	means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note) and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 14 (*Replacement of Notes, Coupons and Talons*).
"**Couponholders**"	means the several persons who are, for the time being, holders of the Coupons.
"**Covenant Regimes**"	means the T1 Covenant Regime, the T2 Covenant Regime, the Initial T3 Covenant Regime and the Final T3 Covenant Regime.
"**Creditor Accession Deed**"	means a deed (in the form set out in the Common Terms Agreement) pursuant to which any proposed creditor of the Security Group may accede to the Common Terms Agreement and the Security Trust and Intercreditor Deed in the capacity of an Obligor Secured Creditor.
"**Dangerous Substance**"	means any substance capable (whether alone or in combination with any other) of causing serious pollution or contamination, harm or damage to property or to the Environment.
"**Day One Loan**"	means the amount outstanding as at the date of this Base Prospectus under the loan agreement dated 3 November 2004 and entered into between LSF (as lender) and LSP (as borrower) in connection with the establishment of this Programme.
"**DCA Ledgers**"	means the sub-ledgers established and maintained by the Cash Manager on behalf of the Obligors in respect of amounts standing to the credit of the Debt Collateralisation Account from time to time in accordance with the Common Terms Agreement and the Account Bank and Cash Management Agreement. See "— *Collateralisation*", page 117, above.
"**Dealers**"	means any dealers appointed by the Issuer from time to time under the Dealership Agreement, and references to the "relevant Dealer(s)" means, in relation to any Sub-Class of Notes (other than Class R Notes), the Dealer or Dealers with

	whom the Issuer has agreed the issue of the Notes of such Sub-Class.
"**Dealership Agreement**"	means the amended and restated dealership agreement related to the Programme dated 2 August 2017 (as amended and restated and/or supplemented from time to time) and entered into between, *inter alios*, certain financial institutions as dealers and the Issuer.
"**Dealing**"	means any voluntary act (which includes any Acquisition and any Disposal, the entering into or varying of any Leasing Agreement, the entering into of any Development Contract, exercising any right under, or the varying or surrendering of any such contract and carrying out any Development or other works in respect thereof) and "Deal" shall be construed accordingly.
"**Debt Collateralisation Account**"	means the account designated as the "Debt Collateralisation Account", held in the name of FinCo and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank to replace such designated account.
"**Debtholder**"	means a Noteholder or an ACF Provider.
"**Debtholders' Meeting**"	means a meeting of Debtholders, held in accordance with the Security Trust and Intercreditor Deed.
"**Debt Ranks**"	means the Primary Debt Ranks and the Secondary Debt Ranks.
"**Deduction Amount**"	means, in respect of any relevant Obligor, the lower of £600,000 and 20% of the value of such Obligor's Additional Assets, such value to be determined by reference to such Obligor's Latest Accounts.
"**Deemed Disposal**"	means, in respect of any Mortgaged Property, an Obligor which holds such Mortgaged Property ceasing to be under Common Control.
"**Deemed Disposal Proceeds**"	means, in relation to the Deemed Disposal of one more Mortgaged Properties, an amount equal to the lower of the aggregate of the Allocated Debt Amount for each such Mortgaged Property and the aggregate of the Market Values of such properties.

"**Deemed Tax Borrowings**"	means, in summary, the sum of (a) the amount of unpaid Disposal Tax in excess of £50,000,000 (subject to Transaction Indexation) and (b) the amount of unpaid Transaction Tax in excess of £50,000,000 (subject to Transaction Indexation), save to the extent that such Disposal Tax or Transaction Tax is already reserved for in a Tax Reserve Account.
"**Definitive Note**"	means a Bearer Note issued in definitive form, in or substantially in the form set out in Part C (Form of Definitive Note) of Schedule 3 to the Trust Deed.
"**Degrouping Charge**"	means, in summary, any liability to pay tax that would arise to an Obligor as a result of the application of Section 179 of the Taxation of Chargeable Gains Act 1992, Section 111 of the Finance Act 2002, Section 113 of the Finance Act 2002 or either of paragraphs 3 or 9 of Schedule 7 to the Finance Act 2003 were that Obligor to leave the relevant tax group.
"**Development**"	means the construction on any Obligor Property of a building (including a substantial refurbishment of an existing building, meaning a refurbishment which can only be carried out if 60% or more of the total lettable space of any building on the Obligor Property in question is vacant).
"**Development Account**"	means any account opened in accordance with the covenants referred to in — Developments in Partnerships and Non-UK Obligors", page 109, above, or "— *Developments Vested in Limited Liability Partnerships*", page 55, above.
"**Development Contract**"	means any building contract relating to the carrying out of any Development.
"**Development Project**"	means works in respect of any Obligor Property which: (a) constitute a Development the cost of which exceeds £10,000,000 (subject to Indexation) (but for this purpose only taking account of cost which is committed pursuant to building contracts which have been or are about to be entered into); or (b) are not works to which paragraph (a) above applies, but the Obligors have designated them as works to which this paragraph (b) is to apply; and (in either case) such works:

(i) have not commenced but are the subject of a building contract to carry out the same; or

(ii) are in progress; or

(iii) have reached practical completion under the building contract or contracts for the same but the Obligor Property in question has not been revalued in a Valuation Report since the date of practical completion as aforesaid.

"**Development Test**" means a test under the Common Terms Agreement to determine, *inter alia*, the extent to which certain amounts expended by the Obligors in respect of Development Projects in respect of Obligor Properties may be included in the calculation of Total Collateral Value. See "— *Development*", page 136, above.

"**Disposal**" means the sale, transfer, disposition, lease, declaration of trust or other method of disposal of any legal or beneficial interest in, or any right to receive income or capital from, any Mortgaged Property (other than by way of a Leasing Agreement) or any agreement to do any of the foregoing by an Obligor and includes any disposal of shares or other ownership interest in any company or other entity which owns any such interest in any Mortgaged Property (and includes, for the avoidance of doubt, any such transfer in connection with any dividend in specie made by any Obligor), and "**Dispose**" and "**Disposed**" shall be construed accordingly.

"**Disposal Proceeds Account**" means an account designated as the "Disposal Proceeds Account", held in the name of FinCo and maintained by the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account so designated in FinCo's name as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank in replacement of such account.

"**Disposal Tax**" means, in summary, at any time, the liability to Tax that would arise to any member or members of the Security Group in respect of one or more disposals of real property assets or shares in companies (including the liability to Tax that could arise on the crystallisation of any Degrouping Charge), the amount thereof in relation to any particular disposal to be computed in accordance with the Tax Deed of Covenant.

"**Disposal Threshold Value**" means the Market Value of any Mortgaged Property which is, or is to be, the subject of a Disposal as of (a) the Mortgage Date; (b) (if applicable) the date of the last Ratings Affirmation; or (c) if such Mortgaged Property is a Post-Division Property, an amount equal to A x (B÷C), where "A" equals the Market Value of the relevant Undivided Property as of the Mortgage Date for such Undivided Property, "B" equals the Market Value of such Post-Division Property and "C" equals the aggregate Market Values of all Post-Division Properties into which such Undivided Property was split.

"**Disposals Threshold**" means, at any time, (i) if the T1 Covenant Regime applies, 30% of the Market Value of the Estate or (ii) if the T1 Covenant Regime does not apply, 20% of the Market Value of the Estate, provided that in each case the Market Value of the Estate (for these purposes only) shall be the aggregate of:

(a) the Market Value of the Estate as shown in the Valuation Report on the Estate immediately before the most recent (as at the time of assessment of the Disposals Threshold) Ratings Affirmation; and

(b) the aggregate Market Value of any Mortgaged Properties introduced into the Estate after the issue of the Initial Valuation Report or, as the case may be, the date of the most recent Ratings Affirmation (the Market Value of which shall be taken by reference to the Valuation Report(s) upon which the introduction thereof was based or (as the case may be) by reference to the Valuation Report in respect of the Estate immediately before the last Ratings Affirmation); and

(c) if there are any Development Projects as at the time of assessment of the Disposals Threshold, the aggregate of development costs spent in respect thereof since, in the case of each relevant Development Project, the date of the relevant Valuation Report relating to the Mortgaged Property in question as ascertained by reference to sub-paragraph (a) or (b) above (as the case may be).

"**Dormant Obligor**" means any Obligor which no longer holds any Mortgaged Property or other real estate assets, any shares in any Obligor which is not a Dormant Obligor or any Obligor Account and which is not a party in the capacity of primary debtor (other than as a result of its obligations under the

Security Trust and Intercreditor Deed) to any ACF Agreement.

"**DPA Prepayment Provision**"	means the provision of the Common Terms Agreement that requires the Obligors to use certain amounts standing to the credit of the Disposal Proceeds Account to Prepay Non-Contingent Loans, as described in "— *Disposal and Insurance Proceeds*", page 155, above.
"**Due Diligence Legal Reports**"	means the Certificates of Title and the Title Overview Report described in "— *Investigations of Title*", page 55, above.
"**Early Redemption Premium ICL Loan**"	means (i) any Floating Rate ICL Loan which is a Revolving ICL Loan, (ii) any Floating Rate ICL Loan the principal amount outstanding of which is subject to adjustment and (iii) any ICL Loan not referred to in paragraphs (i) or (ii) which is not a Floating Rate ICL Loan.
"**ECP Programme**"	means the unsecured euro-commercial paper programme utilised by Land Securities PLC from time to time.
"**Eligible Bank**"	means an authorised institution under the FSMA which meets the Minimum Short Term Ratings and the Minimum Long Term Ratings.
"**Eligible Investments**"	means: (a) sterling gilt-edged securities; (b) sterling demand or time deposits, certificates of deposit, short-term debt obligations (including commercial paper), money market funds or equivalent investments in respect of which the relevant debtor or guarantor has the Minimum Short Term Rating (and, in relation to money market funds and equivalent investments, the long term unsecured, unsubordinated and unguaranteed debt obligations of the relevant debtor or guarantor are rated not less than Aaa by Moody's, should it be a Rating Agency); and (c) euro demand or time deposits, certificates of deposit, short-term debt obligations (including commercial paper), money market funds or equivalent investments in respect of which the relevant debtor or guarantor has the Minimum Short Term Rating (and, in relation to money market funds and equivalent investments, the long term unsecured, unsubordinated and unguaranteed debt obligations of

the relevant debtor or guarantor are rated not less than Aaa by Moody's, should it be a Rating Agency),

provided that:

(i) subject to paragraph (ii) below, such investments have maturity dates falling not later than one year after the date of acquisition thereof or are callable on demand;

(ii) in the case of investments acquired with funds standing to the credit of any DCA Ledger, such investments have maturity dates which are no later than the last scheduled payment date of the relevant Non-Contingent Loan;

(iii) in the case of the investments referred to in paragraph (ii) above, the aggregate principal amount of such investments does not exceed the aggregate principal amount of euro-denominated Financial Indebtedness which is not hedged into sterling; and

(iv) in the case of the investments referred to in paragraphs (i) and (ii) above, if such investments have a term to maturity of more than six months from the date of acquisition thereof, the relevant debtor or guarantor also has the Minimum Long Term Ratings from Moody's, should it be a Rating Agency.

"**Eligible Obligor**" means:

(a) a company which is resident for tax purposes in the United Kingdom and incorporated in England and Wales, Scotland or Jersey; or

(b) any other entity established under the laws of England and Wales or Scotland and resident for tax purposes in the United Kingdom in respect of which (1) legal (including as to insolvency and security) opinions satisfactory to the Rating Agencies can (on the basis of applicable laws and the interpretation thereof) be given in respect of, among other things, its ownership (were it to be an Obligor) of Mortgaged Properties and (2) a tax opinion (or tax opinions) satisfactory to the Rating Agencies can be given to the Obligor Security Trustee, the Note Trustee and the Dealers addressing relevant tax issues arising from the introduction into

the Security Group of such proposed Obligor and its intended activities;

(c) any company or other entity incorporated or established in an Approved Jurisdiction and tax-resident in that same Approved Jurisdiction; or

(d) any limited liability partnership established under the Limited Liability Partnerships Act 2000 which is managed in an Approved Jurisdiction.

"**Eligible Property**" means any freehold, leasehold or heritable property or other real estate.

"**Encumbrance**" means:

(a) a mortgage, charge, security, pledge, lien, assignment, standard security, assignation or other encumbrance securing any obligation of any person or any agreement or arrangement having a similar effect (including any title transfer and retention arrangement); or

(b) any arrangement under which money or claims to, or the benefit of, a bank or other account of an Obligor may be applied, set off or made subject to a combination of accounts so as to effect the discharge of any sum owed or payable to any person.

"**Enforcement Action**" means any action, other than the delivery of a Loan Enforcement Notice or a Loan Acceleration Notice, to enforce the Obligor Security held by the Obligor Security Trustee and/or to preserve any of the rights of the Obligor Security Trustee and/or any Obligor Secured Creditor (including the appointment and/or removal of any Receiver in respect of the Obligor Security held by the Obligor Security Trustee and (if such Receiver is appointed) instructing the Receiver to take or not take such action) and the release of any assets (over which the Note Trustee has appointed an administrative receiver) from the STID Floating Security upon enforcement of the OFCA Floating Security.

"**Enforcement Period**" means any period following the delivery of a Loan Enforcement Notice, provided that, if any Loan Enforcement Notice is delivered in respect of a P2 Trigger Event and any Receiver appointed in respect of such P2 Trigger Event is removed pursuant to "– Removal of a Receiver" page 148

	above, the Enforcement Period shall end on the date on which such Receiver is removed.
"**Enforcement Trigger Event**"	means an event which would entitle the Obligor Security Trustee to take Enforcement Action or certain Qualifying Debtholders to vote on whether to take any Enforcement Action as listed in the section entitled "— *Loan Enforcement Notice and Enforcement Action*", page 189, above.
"**English Property**"	means any one or more of the Mortgaged Properties or (depending on the context) proposed Mortgaged Properties which are located in England and Wales.
"**Enterprise Act**"	means the Enterprise Act 2002.
"**Environment**"	means air (including air within buildings or other natural or man made structures whether above or below ground), land (including any buildings or other permanent structures on, in or below the land), water (including water within buildings or other natural or man-made structures), flora, fauna and humans.
"**Environmental Action**"	means any civil, criminal, regulatory or administrative proceedings, suit, action or formal written notice to which the relevant Obligor is subject pursuant to Environmental Law.
"**Environmental Contamination**"	means (i) the presence or release, emission, leakage or spillage of any Dangerous Substance at, or their migration from, any site owned or occupied by the Obligors into any part of the Environment or (ii) any accident, fire, explosion or sudden event at any site owned, occupied or used by any Obligor which is directly or indirectly caused by or attributable to any Dangerous Substance, in each case which causes or is likely to cause a significant risk of harm or damage to the Environment.
"**Environmental Law**"	means all directly applicable European, national or local statutes, statutory instruments, regulations, directives, statutory guidance and regulatory codes of practice and common law concerning the protection of the Environment which are capable of enforcement by legal process.
"**Environmental Permit**"	means any permit, licence, authorisation or consent required or issued under Environmental Law.
"**Environmental Reports**"	means:

(a) the environmental risk assessment reports undertaken by Messrs Watts and Partners in respect of 15 of the Mortgaged Properties and dated 23 September 2004; and

(b) the reports on any environmental search, risk assessment or other investigation in relation to any Additional Mortgaged Property disclosed to the Valuers.

"**ESMA**" means the European Securities and Markets Authority

"**Estate**" means on any date all of the Mortgaged Properties on such date.

"**EU CRA Regulation**" means Regulation (EU) No 1060/2009.

"**EU MiFID II**" means Directive 2014/65/EU.

"**EU PRIIPs Regulation**" means Regulation (EU) No 1286/2014.

"**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

"**Euroclear**" means Euroclear Bank SA/NV

"**Euronext Dublin**" means the Irish Stock Exchange plc trading as Euronext Dublin.

"**EUWA**" means the European Union (Withdrawal) Act 2018.

"**Exchange Date**" means 3 November 2004.

"**Exchange Event**" means:

(a) Clearstream, Luxembourg or Euroclear 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 and no other clearing system acceptable to the Note Trustee is then in existence; or

(b) as a result of any amendment to, or a change in laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Exchange Date, the

Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of such Notes which would not be required were such Notes in definitive form.

"**Existing ACF Agreements**"	means each of the ACF Agreements (as amended from time to time) dated 29 March 2018, 9 August 2018, 1 November 2018, 25 January 2019 and 19 February 2019 entered into between, *inter alios*, FinCo and certain ACF Providers. See "— *Existing ACF Agreements*", page 24, above.
"**Existing ACF Loans**"	means the ACF Loans made to FinCo under the relevant Existing ACF Agreements.
"**Extraordinary Resolution**"	has the meaning given to it in the Conditions.
"**Facility Agent**"	means an agent in respect of (i) a syndicated facility under which ACF Loans will or may be provided under an ACF Agreement or (ii) a Liquidity Facility.
"**Fees and Expenses**"	means, in respect of any Facility Agent, the Note Trustee, the Obligor Security Trustee, any Receiver, any Paying Agent, any Transfer Agent, the Registrar, any Class R Agent, the Agent Bank, any Property Manager, any Replacement Cash Manager or any Replacement Servicer, any fees, costs, expenses, other remuneration and indemnity payments payable to such person (in that capacity) which are due and payable.
"**Final T3 Covenant Regime**"	means the covenant regime that will apply under the Common Terms Agreement if any of the Initial T3 Thresholds are breached at the relevant time. See "— *Determining the Applicable Covenant Regime*", page 133, and "— *Applicable Covenants*", page 135, above.
"**Final T3 Covenants**"	means the covenants so designated and set out in the Common Terms Agreement, as described in "— *Final T3 Covenants*", page 152, above.
"**Final Terms**"	means the final terms issued in relation to each Sub-Class of Notes which completes the Conditions and giving details of such Sub-Class and, where the context requires or permits, includes a Pricing Supplement for any Notes issued before 1 July 2005.
"**Financial Covenant**"	means the covenant described in "— *Financial Covenant*", page 136, above.

"**Financial Half-Year**" means the period from and including 1 April 2005 and ending 30 September 2005 and thereafter each six-month period ending on 30 September or 31 March of each year (or, if the Security Group should alter its accounting reference period, the last day of each such period and the date falling six months after each such day).

"**Financial Indebtedness**" means any indebtedness incurred by an Obligor in respect of:

(a) the principal amount, mandatory premia (excluding any prepayment premia) and any capitalised element (including rolled-up interest and accreted capital but excluding any amount representing issue costs and other fees), of money borrowed or raised, whether or not for cash (including in respect of any debenture, bond, loan stock, commercial paper or similar debt instrument and debit balances at banks) provided, for the avoidance of doubt, that the principal amount that is to be taken into account at any date shall not exceed the principal amount that would be payable on that date were the relevant debt to be accelerated;

(b) liabilities in respect of any letter of credit, standby letter of credit, Performance Bond, acceptance credit, bill discounting or note purchase facility and any receivables purchase, factoring or discounting arrangements;

(c) rental or hire payments under any contract between a lessor and a lessee treated as a finance lease in accordance with the Applicable Accounting Principles but excluding liabilities under any lease of property treated as a finance lease (in accordance with Applicable Accounting Principles) or otherwise capitalised;

(d) the unconditional deferred purchase price of assets or services (excluding any retention or withholding from such purchase price entered into or arising in the ordinary course of business), where in each case both the primary intention for which and the commercial effect thereof was borrowing money;

(e) the mark-to-market value at inception of any foreign exchange agreement, Swap Transaction or other derivative transaction or similar arrangement which in

each case has, at its inception, the commercial effect of borrowing;

(f) all unconditional obligations to purchase, redeem, retire, defease or otherwise acquire for value any share capital of any person pursuant to transactions the primary intention for which and the commercial effect of which is the borrowing of money;

(g) the right of reimbursement that a party to a forward funding agreement, entered into with such Obligor, has (if any) in respect of its contributions under such agreement if such Obligor's primary intention in entering into, and the commercial effect of, such agreement is the borrowing of money;

(h) any other transactions of a similar nature to those referred to in paragraphs (a) to (g) above where borrowing is the primary purpose; and

(i) all Financial Indebtedness of other persons (other than an Obligor) of the kinds referred to in paragraphs (a) to (h) above guaranteed or indemnified by an Obligor (or having the commercial effect of being guaranteed or indemnified by such Obligor, where such commercial effect is the primary purpose of the relevant transaction),

but excludes:

(1) Rental Loans and Servicer Loans (to the extent of funds standing to the credit of a Collection Account);

(2) amounts owed to the Account Bank (to the extent of the Aggregate Credit Balance);

(3) any amounts of indebtedness (whether actual or contingent) owed by one Obligor to another Obligor;

(4) any preference share or other form of share capital, or partnership interest, even if accounted for as a liability in accordance with the Applicable Accounting Principles; and

(5) without double counting, any indebtedness of any Obligor, to the extent that the Obligor has given irrevocable instructions to the Account Bank to repay or prepay such indebtedness from a Collection

Account or an Operating Account and, but for a technical or administrative error in the transmission of funds only, such indebtedness would have been repaid or prepaid at the relevant time.

"**Financial Quarter Date**" means 31 March, 30 June, 30 September and 31 December in any year.

"**Financial SPV Obligor**" means any Additional Obligor established for the primary purpose of acting as a financing vehicle for the Security Group and which complies with the obligation of a Financial SPV Obligor to have only the Permitted Business specified in the paragraph of the definition thereof.

"**Financial Year**" means:

(a) the period commencing on the Exchange Date and ending on 31 March 2005; and

(b) thereafter, each period of one year ending on 31 March in each year,

or if the financial year as defined in section 223 of the Companies Act 1985 is changed by the Security Group each period of one year (or less) ending on the last day of such financial year of the Security Group from time to time as notified to the Obligor Security Trustee.

"**FinCo**" means LS Property Finance Company Limited, a private limited company incorporated under the laws of England and Wales with registered number 5163698 and whose registered office is at 100 Victoria Street, London SW1E 5JL.

"**Fitch**" means Fitch Ratings Limited or its successor by way of name change or merger from time to time.

"**Fixed Rate ICL Loan**" means any advance by the Issuer to FinCo under the Intercompany Loan Agreement with a fixed rate of interest (save, in certain cases, for the final two years of its tenor, which shall be ignored in construing this definition).

"**Fixed Rate Notes**" means Notes which carry a fixed rate of interest and are designated as such in the relevant Final Terms (save, in certain cases, for the final two years of its tenor, which shall be ignored in construing this definition).

"**Floating Rate ACF Loan**"	means any advance by an ACF Provider to an Obligor under an ACF Agreement with a floating rate of interest.
"**Floating Rate ICL Loan**"	means any advance by the Issuer to FinCo under the Intercompany Loan Agreement with a floating rate of interest.
"**Floating Rate Loans**"	means the Floating Rate ICL Loans and the Floating Rate ACF Loans.
"**Floating Rate Notes**"	means Notes which carry a floating rate of interest and are designated as such in the relevant Final Terms.
"**Forfeiture Risk Property**"	means any leasehold property which would otherwise be a Mortgaged Property but for receipt by an Obligor of any notice or threat of intended forfeiture proceedings in relation to that property on account of the charge under the Obligor Security having been granted without landlord consent.
"**foreign financial institution**"	has, in respect of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, the meaning given to it by FATCA.
"**foreign passthru payments**"	means, in relation to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, certain payments it made by a foreign financial institution (as defined by FATCA) in which it may be required to withhold tax.
"**Form of Transfer**"	means the form of transfer endorsed on an Individual Note Certificate in the form or substantially in the form set out in Part A of Schedule 2 to the Trust Deed, in the case of a Rule 144A Individual Note Certificate and in the form or substantially in the form set out in Part C of Schedule 2 to the Trust Deed, in the case of a Regulation S Individual Note Certificate.
"**Forward-Looking Calculation Period**"	means, in relation to any Calculation Date, the period of 12 months occurring immediately after that date.
"**FSMA**"	means the Financial Services and Markets Act 2000, as amended.
"**Further ACF Agreement**"	means any agreement, which is entered into after the Exchange Date and which meets certain criteria set out in the Common Terms Agreement, for the provision of bank or other third party funding to the Obligors or pursuant to which the Obligors may incur Secured Financial Indebtedness by way of loan guarantees or Performance Bonds (including, for

	the avoidance of doubt, the Existing ACF Agreements). See "— *Further ACF Agreements*", page 104, above.
"**Further ACF Loan**"	means an ACF Loan other than an Initial ACF Loan.
"**Further ACF Provider**"	means each person who executes a Creditor Accession Deed in such capacity (provided that such deed is countersigned by the Obligor Security Trustee).
"**Further Credit Assets" or "FCAs**"	bears the meaning given to that term in "— *Additional Mortgaged Properties*", page 90, above.
"**Further ICL Loan**"	means an ICL Loan other than an Initial ICL Loan.
"**Further Priority 1 Debt**"	means any Financial Indebtedness of any of the Obligors which is incurred after the Exchange Date in compliance with the Common Terms Agreement and which is attributed the Debt Rank of "Priority 1 Debt" in accordance with the provisions described in the section entitled "— *Ranking of Financial Indebtedness*", page 106, above.
"**General Tax Reserve Account**"	means the account designated as the "General Tax Reserve Account", held in the name of FinCo and maintained by the Account Bank pursuant to the Account Bank and Cash Management Agreement, or any other such account so designated in the name of FinCo as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank in replacement of such account.
"**Geographic Concentration Limit**"	means a limit imposed by the Common Terms Agreement on the percentage of Total Collateral Value that may be attributed to any particular Region. See "— *Geographic diversity – negative covenant*", page 138, above.
"**Global Note**"	means a Permanent Global Note and/or a Temporary Global Note, as the context may require.
"**Global Note Certificate**"	means, in relation to any Series, any Rule 144A Global Note Certificate, Regulation S Global Note Certificate or any Non-DR Global Note Certificate in or substantially in the forms set out in Schedule 2 of the Trust Deed.
"**Government Tenant**"	means the Crown or a Secretary of State or other Minister of the Crown, appointed on behalf of the Crown in order to perform the functions of the Crown, or any body corporate, agency or other body whose obligations, pursuant to relevant

	Leasing Agreements, are directly guaranteed to the relevant Obligors by or in the name of the Crown.
"**Green Bonds**"	means a series of Notes, the net proceeds of which will be used to finance and/or refinance Green Projects.
"**Green Projects**"	means projects and activities that promote climate-friendly and/or other environmental purposes or sustainable or social activities (either in those words or otherwise).
"**Guarantees**"	means the guarantees and indemnities granted by the Obligors under the Security Trust and Intercreditor Deed, described in "— *Covenants to pay and Guarantees*", page 171, above.
"**Headroom Tests**"	means the P1 Headroom Test, the P2 Headroom Test, the SD Headroom Test and the UD Headroom Test.
"**Hedging Covenant**"	means the covenant set out in the Common Terms Agreement regarding the entry into Swap Transactions by the Obligors, described in "— *Swap Agreements and Hedging Covenant*", page 113 above.
"**Historical Calculation Period**"	means, in respect of a Calculation Date, the period of 12 months which ends on (and includes) such Calculation Date.
"**Historical EBITDA**"	means, in respect of any Historical Calculation Period, the consolidated or pro forma consolidated operating profit of the Security Group (taking into account changes in its composition) for that period calculated in accordance with the Applicable Accounting Principles (but including for the avoidance of doubt any releases from the Income Replacement Account), but before: any Historical Interest Charges; any amount attributable to amortisation of goodwill or other intangible assets or the amortisation or the writing off of acquisition or refinancing costs and any deduction for depreciation of assets; and (c) any accrued tax for such Historical Calculation Period in respect of all amounts and items included in or taken into account in calculating that consolidated operating profit and before any adjustments to deferred tax assets or liabilities in that period,

and excluding:

(i) fair value adjustments or impairment charges (to the extent they involve no payment of cash);

(ii) items that would be treated as extraordinary or exceptional income or charges under the Applicable Accounting Principles for such Historical Calculation Period;

(iii) any amount attributable to the writing up or writing down of any assets of any Obligor after the Exchange Date or, in the case of an Obligor becoming such after the Exchange Date, after the date of its becoming such and, in each case, in respect of such Historical Calculation Period;

(iv) any non-cash amount attributed to share-based payments;

(v) any other non-cash items, including any change in the mark-to-market value of any derivative transaction (but not so as to exclude UITF 28 as it affects any rent-free periods relating to tenancies granted by or to the Obligors, accruals and prepayments relating to rental income and operating expenses and specific bad debt provisions);

(vi) any amounts attributable to the disposal of any properties or other assets during such Historical Calculation Period; and

(vii) any operating profit or loss attributable to an Obligor for any period during such Historical Calculation Period for which such Obligor was not under Common Control.

"**Historical ICR**" means, as of any Calculation Date, the ratio of the Historical EBITDA to the Historical Interest Charges in respect of the Historical Calculation Period in respect of such Calculation Date.

"**Historical ICR Event**" means, in respect of any Scheduled Calculation Date, that both of the following conditions are satisfied:

the Historical ICR calculated as of that date falls below any Tier Threshold and the Projected ICR calculated in respect

of the same Calculation Period exceeded that same Tier Threshold; and

the Historical ICR calculated as of the immediately preceding Scheduled Calculation Date fell below any Tier Threshold and the Projected ICR calculated in respect of the same Calculation Period exceeded that same Tier Threshold.

"**Historical Interest Charges**" means, in relation to a Historical Calculation Period:

(a) without double-counting, the accrued cost of interest on Financial Indebtedness of the Security Group (excluding any non-cash items, front end fees (whether or not amortised) and exceptional and extraordinary items but after taking account of any relevant hedging) for such Historical Calculation Period;

less:

(b) without double-counting, any interest receivable by any member of the Security Group from a third party over the relevant Historical Calculation Period other than interest on the Income Replacement Account but including interest on amounts standing to the credit of the Liquidity Ledger.

"**HoldCo**" means Land Securities Intermediate Limited.

"**ICL Loan**" means an advance by the Issuer made to FinCo under the Intercompany Loan Agreement from the proceeds of issue of Notes.

"**ICL Loan Payment Dates**" means, in relation to each ICL Loan, the dates falling on or before (as specified in the relevant Final Terms) the Note Payment Dates in respect of the Notes to which the ICL Loan relates.

"**ICR**" means the Historical ICR or the Projected ICR.

"**IFRS**" means International Financial Reporting Standards.

"**IGAs**" means, in relation to FATCA, intergovernmental agreements with the United States to implement FATCA.

"**Income Replacement Account**" means the account designated as the "Income Replacement Account" held in the name of FinCo and maintained by the Account Bank pursuant to the terms of the Account Bank and

	Cash Management Agreement, or such other account as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank in replacement of such account.
"**Index Event**"	has the meaning given to such term in Condition 8(d)(i) (*Optional Redemption for Index Events*).
"**Index Ratio**"	has the meaning given to such term in Condition 7(a)(i) (*Definitions*).
"**Indexation**"	of any figure expressed to be subject thereto means that figure multiplied by the higher of 1 and the fraction A/B, where "A" is the Total Collateral Value calculated as at the latest Scheduled Calculation Date falling on the last day of the most recently completed Financial Year and rounded down to the nearest whole multiple of £500,000,000; and "B" is £6,500,000,000.
"**Indexed Notes**"	means Notes (other than Class R Notes) in respect of which the amount payable in respect of principal and interest is calculated by reference to an index as the Issuer and the relevant Dealer(s) may agree, and are designated as such in the relevant Final Terms.
"**Individual Note Certificate**"	means any Rule 144A Individual Note Certificate, Regulation S Note Certificate or any Non-DR Individual Note Certificate in or substantially in the forms set out in Schedule 2 to the Trust Deed.
"**Industrial Sector**"	means the use of a Mortgaged Property primarily for industrial purposes within Use Classes B1 or B2 or B8 of the Use Classes Order 1987.
"**Initial ACF Agreement**"	means the authorised credit facility agreement dated 3 November 2004 and entered into between, *inter alios*, FinCo and the Initial ACF Providers (as amended). The Initial ACF Agreement was repaid and cancelled in full on 30 August 2006.
"**Initial ACF Loans**"	means the ACF Loans made to FinCo on or about the Exchange Date under the Initial ACF Agreement.

"**Initial ACF Providers**"	means the providers of lending facilities under the Initial ACF Agreement and "Initial ACF Provider" means any one of them.
"**Initial ICL Loan**"	means an advance made by the Issuer to FinCo under the Intercompany Loan Agreement funded using the proceeds of issue of a Sub-Class of the Initial Notes.
"**Initial Issuer Account**"	means the account designated as the "Initial Issuer Account", held in the name of the Issuer and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account so designated as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank in replacement of such account.
"**Initial Nominees**"	means those companies specified as such in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus)
"**Initial Notes**"	means the seven Sub-Classes of Class A Notes issued by the Issuer on the Exchange Date to Land Securities PLC.
"**Initial Priority 1 Debt**"	means any Financial Indebtedness of FinCo in respect of the Initial ICL Loans and the Initial ACF Loans.
"**Initial RM Properties**"	means the properties, owned by Relevant Members, which are included in the Day One Estate.
"**Initial Standard Securities**"	means each first ranking standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970 granted over a Scottish Property substantially in the form set out in a Schedule to the Security Trust and Intercreditor Deed, entered into on or about the Exchange Date.
"**Initial T3 Covenant Regime**"	means the covenant regime that will apply under the Common Terms Agreement if any of the T2 Thresholds, but none of the Initial T3 Thresholds, are breached at the relevant time. See "— *Determining the Applicable Covenant Regime*", page 133, and "— *Applicable Covenants*", page 135, above.
"**Initial T3 Covenants**"	means the covenants described in "— *Initial T3 Covenants*", page 150, above.
"**Initial T3 Threshold**"	means (i) in respect of the LTV and the Additional LTV, 80% and (ii) in respect of the Historical ICR, the Pro Forma

	Historical ICR, the Projected ICR and the Additional Projected ICR, 1.20:1.
"**Initial Valuation Report**"	means the valuation report dated 2 November 2004 issued by Knight Frank LLP in respect of the Initial Estate.
"**Insolvency Act**"	means the Insolvency Act 1986, as amended.
"**Insurance Distribution Directive**"	means Directive (EU) 2016/97.
"**Insurance Policies**"	means all liability and material damage policies from time to time effected in respect of any of the Mortgaged Properties.
"**Intellectual Property Release**"	means, in respect of any Intellectual Property Right, a deed, agreement or other document that, upon the due execution thereof by the Obligor Security Trustee and the completion of such other formalities as may be required, is effective to release or re-convey to the relevant Obligor the entire security interest in respect of such Intellectual Property Right held by the Obligor Security Trustee (for itself and on behalf of the other Obligor Secured Creditors) under the Obligor Transaction Documents.
"**Intellectual Property Rights**"	means copyright, patents, database rights and rights in know-how, trade marks, get-up and the theme and formatting of trading outlets, and registered designs and design rights (each whether registered or unregistered), applications for registration and the right to apply for registration for any of the foregoing, any licence in respect of any of the foregoing, and all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world.
"**Intercompany Loan Agreement**"	means the intercompany loan agreement dated 3 November 2004 and entered into between, *inter alios*, the Issuer, FinCo and the Note Trustee.
"**Interest Commencement Date**"	means, in the case of interest-bearing Notes, the date specified in the relevant Final Terms from (and including) which such Notes bear interest, which may or may not be the Issue Date.
"**Intermediate Valuation Report**"	means a report setting out the Market Value of one or more Mortgaged Properties by a Valuer (other than a Valuation Report on the Estate), which report has been prepared since the most recent Valuation Report on the Estate.

"**Intra-Security Group Disposal**"	means the Disposal of a Mortgaged Property or Obligor from one Obligor to another Obligor.
"**Investor Report**"	means each of the reports required to be delivered by the Obligors on each Reporting Date pursuant to the Common Terms Agreement, as described in "— *Investor Reports*", page 145, above.
"**Irish Paying Agent**"	means Apex Fund Services (Ireland) Limited, acting through its office at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin D01 P767, or such other entity or entities appointed as paying agent in Ireland from time to time, subject to and in accordance with the terms of the Agency Agreement.
"**ISDA**"	means the International Swap and Derivatives Association, Inc.
"**Issue Date**"	means the date of issue of any Notes.
"**Issue Price**"	means, in relation to any Notes, the price as stated in the relevant Final Terms, generally expressed as a percentage of the nominal amount of the Notes, at which such Notes will be issued.
"**Issuer**"	means Land Securities Capital Markets PLC, a public company with limited liability incorporated under the laws of England and Wales with registered number 5193511 and whose registered office is at 100 Victoria Street, London SW1E 5JL.
"**Issuer Accounts**"	means: the Initial Issuer Account; and (b) any other account designated as an "Issuer Account", held in the name of the Issuer and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement and opened, with the consent of the Note Trustee, at any branch of the Account Bank or at an Eligible Bank for the purpose of making payments in currencies other than sterling.
"**Issuer Deed of Charge**"	means the deed of charge dated 3 November 2004 and entered into between, *inter alios*, the Issuer and the Note Trustee.

"**Issuer Event of Default**"	means any of the events listed in Condition 11 (*Issuer Events of Default*).
"**Issuer Payment Priorities**"	means the Issuer Pre-Enforcement Priority of Payments or, as applicable, the Issuer Post-Enforcement Priority of Payments.
"**Issuer Post-Enforcement Priority of Payments**"	means the payment priorities for the Issuer applicable post-enforcement of the Issuer Security, as contained in the Issuer Deed of Charge.
"**Issuer Pre-Enforcement Priority of Payments**"	means the payment priorities for the Issuer which are applicable pre-enforcement of the Issuer Security, as contained in the Issuer Deed of Charge.
"**Issuer Secured Creditors**"	means the Note Trustee, the Noteholders, any receiver appointed under the Issuer Deed of Charge, the Account Bank, the Cash Manager and any Replacement Cash Manager (so long as they are not members of the Landsec Group), the Registrar, the Transfer Agents, the Paying Agents, the Agent Bank and any other creditors who accede to the Issuer Deed of Charge from time to time in accordance with the terms thereof.
"**Issuer Secured Liabilities**"	has the meaning given to such term in Condition 4 (*Security and Relationship with Issuer Secured Creditors*).
"**Issuer Deed of Charge**"	means the deed of charge dated 3 November 2004 and entered into between, *inter alios*, the Issuer and the Note Trustee.
"**Issuer Security**"	means the security interests created by the Issuer pursuant to the Issuer Deed of Charge.
"**Issuer Transaction Documents**"	means: (a) this Base Prospectus (including all documents incorporated by reference into it) and any supplement to the Base Prospectus; (b) the Notes and any Final Terms relating to the Notes; (c) the Trust Deed; (d) the Note Subscription Agreement;

(e) the Dealership Agreement;

(f) any Class R Underwriting Agreement;

(g) the Agency Agreement;

(h) the Issuer Deed of Charge;

(i) the Account Bank and Cash Management Agreement;

(j) the Servicing Agreement;

(k) the Tax Deed of Covenant;

(l) the Common Terms Agreement;

(m) the Security Trust and Intercreditor Deed;

(n) the Intercompany Loan Agreement;

(o) the Obligor Floating Charge Agreement; and

(p) any other agreement, instrument or deed designated as such by the Issuer and the Note Trustee.

"**JerseyCo**"	means an Obligor that is a company incorporated in Jersey.
"**Landsec Group**"	means the direct and indirect subsidiaries of Land Securities Group PLC (including the Issuer and the Obligors).
"**Land Securities Group PLC**"	means Land Securities Group PLC, a public company listed on the London Stock Exchange with limited liability incorporated under the laws of England and Wales with registered number 4369054 and whose registered office is at 100 Victoria Street, London SW1E 5JL.
"**Land Securities Information**"	means the information contained in "– *Outstanding Debt Between the Security Group and the Non-Restricted Group*", page 83, above, Chapter 7 "*FinCo*", page 240, Chapter 9 "*Main Obligors*", page 244, Chapter 10 "*Landsec Group Business and Information regarding the Estate*", page 249, above and any other information relating to the business of Land Securities Group PLC and Land Securities PLC or any one or more Non-Restricted Group Entities or Security Group members.

"**Land Securities Intra-Group Funding Deed**"	is the deed described in "— *Land Securities Intra-Group Funding Deed*" page 228, above).
"**Latest Accounts**"	in respect of any Obligor, means that Obligor's most recent annual audited financial statements then available (or, if such Obligor has become a member of the Security Group since the date of its last annual audited financial statements, any pro forma financial statements drawn up at the time it became an Obligor).
"**Lease Surrender**"	bears the same meaning as Surrender.
"**Leasing Agreement**"	means any lease, licence or other occupational agreement (or any agreement to enter into such a lease, licence or other occupational agreement in the future) to which a Mortgaged Property is subject, other than any lease, licence or other agreement pursuant to which all or some of the capital value of the relevant Mortgaged Property is transferred by the lessor to the lessee.
"**Leisure and Hotels Sector**"	means the use of a Mortgaged Property primarily for leisure purposes within Use Classes A3, A4, A5, C1, D2 or Sui Generis of the Use Classes Order 1987 (as amended).
"**Letting Criteria**"	means the criteria, set out in the Common Terms Agreement, that the Obligors are required to satisfy in respect of certain Leasing Agreements. See "— *Leasing*", page 139, above.
"**Latest Accounts**"	in respect of any Obligor, means that Obligor's most recent annual audited financial statements then available (or, if such Obligor has become a member of the Security Group since the date of its last annual audited financial statements, any pro forma financial statements drawn up at the time it became an Obligor).
"**Liquidity Downgrade Event**"	means a Liquidity Facility Provider's short term, unsecured, unsubordinated and unguaranteed debt obligations ceasing to be rated at least the Minimum Short Term Ratings.
"**Liquidity Effective Date**"	means, in respect of any Liquidity Relevant Date: (a) if the Liquidity Threshold was breached (in the case of a Liquidity Threshold Initial Breach Date) or breached further (in the case of any other Liquidity Relevant Date) as of the Liquidity Relevant Date solely as a result of a fall in the Market Value of Mortgaged Properties and/or any other circumstances beyond the

control of the Obligors, the date falling six months after such Liquidity Relevant Date; or

(b) if the Liquidity Threshold was breached (in the case of a Liquidity Threshold Initial Breach Date) or breached further (in the case of any other Liquidity Relevant Date) as a result of, *inter alia*, one or more voluntary acts of the Obligors, the date falling two months after such Liquidity Relevant Date.

See "— *Mandatory Liquidity Provisions*", page 112, above.

"**Liquidity Event**" means a Liquidity Downgrade Event or when a Liquidity Facility Provider declines to renew the commitment period of a Liquidity Facility and that Liquidity Facility Provider or FinCo is unable to put in place a replacement Liquidity Facility Provider which has the Minimum Short Term Ratings.

"**Liquidity Facility**" means the facility granted under a Liquidity Facility Agreement.

"**Liquidity Facility Agreement**" means a liquidity facility agreement to assist the Obligors in making payments of interest on Financial Indebtedness and certain other items ranking prior thereto in the Security Group Pre-Enforcement Priority of Payments, which shall be on customary market terms (including as to availability and the consequences of Liquidity Events) and entered into between, *inter alios*, FinCo, one or more Liquidity Facility Providers and the Obligor Security Trustee at any time.

"**Liquidity Facility Provider**" means a provider of the Liquidity Facility under a Liquidity Facility Agreement.

"**Liquidity Facility Reserve Account**" means any account so designated held in the name of FinCo and maintained at any branch of an Eligible Bank approved by the Obligor Security Trustee, for the purpose of providing a fund from which liquidity advances will be made if a Liquidity Event occurs under any Liquidity Facility Agreement.

"**Liquidity Facility Subordinated Amounts**" means, in relation to a Liquidity Facility:

(a) any increased costs payable by FinCo under the relevant Liquidity Facility Agreement save to the extent representing the cost of regulatory capital attributable to such Liquidity Facility; and

(b) the aggregate of any amounts payable by FinCo to the relevant Liquidity Facility Provider in respect of its obligation to increase any payments made by it in respect of such Liquidity Facility as a result of FinCo being obliged to withhold or deduct an amount for or on account of tax from such payments.

"**Liquidity Ledger**" means the sub-ledger of the same name established and maintained by the Cash Manager on behalf of the Obligors used to record deposits and withdrawals of certain amounts to and from the Income Replacement Account in accordance with the Common Terms Agreement and the Account Bank and Cash Management Agreement. See "— *Income Replacement Account*", page 222, above.

"Liquidity Prepayment Provision" means the provision of the Common Terms Agreement that requires the Obligors to Prepay Loans in accordance with the most recent Amortisation Schedule if the Obligors do not have the requisite amount standing to the credit of the Liquidity Ledger and/ or the requisite amount committed under Liquidity Facilities during any Liquidity Relevant Period in accordance with the Mandatory Liquidity Provisions. See "— *Pursuant to the Mandatory Liquidity Provisions*", page 120, above.

"Liquidity Relevant Date" means the Tier Test Determination Date or Additional Tier Determination Date for the Tier Test Calculation Date or Additional Calculation Date as of which the LTV breaches the Liquidity Threshold.

"**Liquidity Relevant Period**" means, in respect of any Liquidity Relevant Date, the period between the Liquidity Effective Date immediately following such Liquidity Relevant Date and the first Tier Test Calculation Date or Additional Calculation Date as of which the Liquidity Threshold is not breached. See "— *Mandatory Liquidity Provisions*", page 112, above.

"**Liquidity Threshold**" means, in respect of the LTV calculated pursuant to either the Tier Tests or the Additional Tier Tests, 56%. See "— *Mandatory Liquidity Provisions*", page 112, above.

"Liquidity Threshold Initial Breach Date" means a Liquidity Relevant Date if the Liquidity Threshold was not breached as of the Tier Test Calculation Date or Additional Calculation Date immediately preceding such Liquidity Relevant Date. See "— *Mandatory Liquidity Provisions*", page 112, above.

"Loan Acceleration Notice"	means a notice delivered by the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed by which the Obligor Security Trustee declares that all Secured Obligations shall be Accelerated.
"**Loan Enforcement Notice**"	means a notice delivered by the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed by which the Obligor Security held by the Obligor Security Trustee becomes enforceable.
"**Loan Payment Date**"	means either an ICL Loan Payment Date or an ACF Loan Payment Date.
"**Loans**"	means ICL Loans and ACF Loans.
"**Lower Ranking Notes**"	means, in relation to any Class of Notes, Notes of a Class or Classes (if any) ranking in point of security below such Class of Notes.
"**LH1**"	means LS London Holdings One Limited.
"**LPHL**"	means Land Securities Property Holdings Limited.
"**LPL**"	means Land Securities Properties Limited.
"**LPML**"	means Land Securities Portfolio Management Limited.
"**LS REIT Group**"	means Land Securities Group PLC and certain of its subsidiaries.
"**LSF**"	means Land Securities (Finance) Limited.
"**LSP**"	means Land Securities Properties Limited.
"**LTV**"	means, as of any date, the percentage equal to the Security Group Net Debt Outstanding divided by the Total Collateral Value (with the quotient being multiplied by 100) each as at such date.
"**Liquidity Ledger**"	means the sub-ledger of the same name established and maintained by the Cash Manager on behalf of the Obligors used to record deposits and withdrawals of certain amounts to and from the Income Replacement Account in accordance with the Common Terms Agreement and the Account Bank and Cash Management Agreement. See "— *Income Replacement Account*", page 222, above. "Liquidity Prepayment Provision"

"**Liquidity Relevant Period**"	means, in respect of any Liquidity Relevant Date, the period between the Liquidity Effective Date immediately following such Liquidity Relevant Date and the first Tier Test Calculation Date or Additional Calculation Date as of which the Liquidity Threshold is not breached. See "— *Mandatory Liquidity Provisions*", page 112, above.
"**Liquidity Threshold**"	means, in respect of the LTV calculated pursuant to either the Tier Tests or the Additional Tier Tests, 56%. See "— *Mandatory Liquidity Provisions*", page 112, above. "Liquidity Threshold Initial Breach Date"
"**Loan Enforcement Notice**"	means a notice delivered by the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed by which the Obligor Security held by the Obligor Security Trustee becomes enforceable. in the case of a Trading Property, the lower of the cost and the net realisable value of such Trading Property, in each case as determined by the Obligors;
"**Mandatory Liquidity Provisions**"	means the provisions of the Common Terms Agreement referred to in "— *Mandatory Liquidity Provisions*", page 112, above. "Mandatory Prepayment"
"**Mandatory Prepayment Provisions**"	means the Ratings Event Prepayment Provision, the T3 Prepayment Provision, the Liquidity Prepayment Provision, the P1 Debt Prepayment Provision, the Change of Control Prepayment Provision and the DPA Prepayment Provision (see the section entitled "— *Mandatory Prepayment Provisions*", page 119 et seq.). "Market Value"
"Market Value"	means: (a) in the case of a Trading Property, the lower of the cost and the net realisable value of such Trading Property, in each case as determined by the Obligors; (b) in the case of a Development or other Mortgaged Property (other than a Mortgaged Property referred to in paragraph (c) or (e) below) which is not a Trading Property, the market value attributed to such Mortgaged Property in the most recent Valuation Report on the Estate; (c) in the case of a Nominated Eligible Property or a Development or other Mortgaged Property which was not valued in connection with the most recent

Valuation Report on the Estate, the market value attributed thereto in the most recent Valuation Report on such Development or property;

(d) in the case of the Estate as a whole, the Total Collateral Value;

(e) in the case of a Post-Division Property which was not valued in connection with the most recent Valuation Report on the Estate, the Market Value attributed to such Post-Division Property in the certificate referred to in "— *Division of Mortgaged Properties*", page 95, above; in the case of a certificate referred to in "— *Merger of leasehold Mortgaged Properties with superior leasehold or freehold Mortgaged Properties*", page 95 above, the market value of the nominated property and the Relevant Mortgaged Properties on either the date of the most recent Valuation Report on the Estate or (where the Relevant Mortgaged Properties is to become a Mortgaged Property on the same dated as the Merger Transaction) the Valuation Report provided in accordance with "*Additional Mortgaged Properties*", page 90, above, which assumes either than the Merger Transaction has completed or that it has not completed; and

(f) in the case of a certificate referred to in "— *Intra-Security Group Disposals of Mortgaged Properties*", page 93 above, the market value of the Nominated Lease and the Relevant Mortgaged Property on the same date which assumes either than the Nominated Lease has been granted or that it has not been granted,

provided, in the case of paragraphs (b) to (e) (inclusive) above, the market value of any Development or other Mortgaged Property, or any Nominated Eligible Property, will be determined by the relevant Valuers in accordance with whichever of the following is applicable:

(i) the definition of "market value" contained in Chapter 3 of the current (as at the Exchange Date) edition of the RICS Appraisal and Valuation Standards (for Nominated Eligible Properties and Mortgaged Properties situated in England, Wales or Scotland);

(ii) Standard 4.10 of the current (as at the Exchange Date) edition of The European Valuation Standards

issued by The European Group of Valuers' Associations (for Nominated Eligible Properties and Mortgaged Properties situated in Europe (as defined by the European Group of Valuers' Associations) but outside England, Wales or Scotland);

(iii) a method of valuation in accordance with International Valuation Standard 1 of the International Valuation Standards (as at the Exchange Date) issued by the International Valuation Standards Committee (for Nominated Eligible Properties and Mortgaged Properties situated outside of England, Wales, Scotland and Europe (as defined by the European Group of Valuers' Associations)); or

(iv) subject to any requirement to the contrary contained in any applicable listing rules (where market value is calculated pursuant to such rules), such other methodology for determining market value as may be selected from time to time by the Obligors and notified to the Rating Agencies and the Obligor Security Trustee in the Investor Report published immediately before such proposed methodology is implemented being a methodology (including but not limited to those in accordance with International Valuation Standards issued by the International Valuations Standards Committee) which is generally accepted amongst broadly based property investment and development businesses in the jurisdiction in which the Mortgaged Properties for which the basis of valuation is to change are located.

"**Material Adverse Effect**" means any effect which:

(a) is materially adverse to the ability of the Obligors (taken as a whole) to perform in a timely manner all or any of their payment obligations under any of the Obligor Transaction Documents; or

(b) results in (i) any Obligor Transaction Document being not legal, valid and binding on, or not enforceable against, any party thereto or (ii) the security over the assets expressed to be encumbered thereby not being valid or enforceable against the Obligors, in each case, and taken in the context of the obligations of the Obligors as a whole, in any respect that, in the case of

(i) or (ii), above, is material and adverse to the interests of the Obligor Secured Creditors.

"**Material Damage Policy**"	means an insurance policy pursuant to which cover against the risk of material damage to one or more Mortgaged Properties is maintained by one or more Obligors.
"**Maturity Restrictions**"	means the restrictions, set out in the Common Terms Agreement and described in "— *Maturity Restrictions*", page 110, above, in respect of the maturity of Secured Financial Indebtedness.
"**Maximum Amount**"	means the maximum aggregate nominal amount of all Notes that may from time to time be outstanding under the Programme.
"**Maximum Drawing Amount**"	means the higher of: (a) £200,000,000; and (b) 2% of the Total Collateral Value from time to time.
"**Minimum Amortisation Amount**"	means, in respect of the ACF Loans and the ICL Loans at any time: (a) the aggregate of the scheduled amortisation amounts specified in the most recent Amortisation Schedule in respect of the quarterly dates occurring before such time; less (b) the aggregate of all Prepayments made since the most recent Amortisation Determination Date.
"**Minimum Long Term Ratings**"	means, for any person, that the long term unsecured, unsubordinated and unguaranteed debt obligations of such person are rated (but only where the following are Rating Agencies at the relevant time) at least AA by S&P, Aa2 by Moody's and A+ by Fitch (or such other ratings consistent with the then current ratings of the Notes as specified by the Ratings Agencies for such person as at the relevant time pursuant to the then applicable published rating criteria).
"**Minimum Short Term Ratings**"	means, for any person, that the short term unsecured, unsubordinated and unguaranteed debt obligations of such person are rated (but only where the following are Rating Agencies at the relevant time) at least A-1+ by S&P, P-1 by

Moody's and F-1+ by Fitch (or such other ratings consistent with the then current ratings of the Notes as specified by the Ratings Agencies for such person as at the relevant time pursuant to the then applicable published rating criteria).

"**Minor Occupational Agreements**" means a Leasing Agreement which is:

(a) lease or licence of an Automated Teller Machine; or

(b) a licence (which does not create a landlord and tenant interest); or

(c) a concession or franchise (which does not create a landlord and tenant interest); or

(d) a lease or licence of one or more car parking spaces; or

(e) a lease for a term granted of five years or less which has a passing rent of less than £25,001 (subject to RPI Indexation); or

(f) a lease, licence or wayleave agreement or easement relating to telecommunications equipment or other services; or

(g) documentation relating to advertising promotions and the like; or

(h) a lease of an electricity sub-station; or

(i) a lease of management offices or premises,

but excluding any such Leasing Agreement if the inclusion of the same as a Minor Occupational Agreement would result in (i) the aggregate Rental Income derived from all such Leasing Agreements in respect of any particular Mortgaged Property exceeding 10% of the Rental Income for the Mortgaged Property in question and/or (ii) the aggregate Rental Income derived from all such Leasing Agreements in respect of the Estate as a whole exceeding 5% of the Rental Income derived from the Estate to the intent (in any such case) that any Leasing Agreements of the type listed above, which will result in any excess over and above that amount of Rental Income, will not be treated as Minor Occupational Agreements.

"**Monetary Claims**"	means, in respect of each Obligor, any book and other debts and monetary claims owing to such Obligor and any proceeds thereof (including any proceeds, claims or sums of money deriving from or in relation to any Leasing Agreement, any Development Contract, any Insurance Policy, any Intellectual Property Rights, any Eligible Investment, any court order, any judgment or any decree).
"**Moody's**"	means Moody's Investors Service Limited or its successor by way of name change or merger from time to time.
"**More Senior Notes**"	means, in relation to any Class or Sub-Class of Notes, Notes of a Class or Classes, or of a Sub-Class or Sub-Classes (if any) ranking in point of security above such Class of Notes.
"**Mortgage Date**"	has the meaning given to such term in "— *Additional Mortgaged Properties*", page 90, above. "Mortgaged Properties"
"**Mortgaged Properties**"	means, at any time, Original Mortgaged Properties, Additional Mortgaged Properties and Post-Division Properties which in each case are not Released Properties (and excluding Undivided Properties which have been split into Post-Division Properties).
"**Most Senior Class of Debtholders**"	means: (a) Noteholders of Notes corresponding to ICL Loans comprised in Priority 1 Debt (if any) and ACF Providers of ACF Loans comprised in Priority 1 Debt (if any), for so long as there is any Priority 1 Debt outstanding; (b) thereafter, Noteholders of Notes corresponding to ICL Loans comprised in Priority 2 Debt (if any) and ACF Providers of ACF Loans comprised in Priority 2 Debt (if any), for so long as there is any Priority 2 Debt outstanding; (c) thereafter, Noteholders of Notes corresponding to ICL Loans comprised in Subordinated Debt (if any) and ACF Providers of ACF Loans comprised in Subordinated Debt (if any) (or, if there are different rankings (in point of security) of Subordinated Debt according to the Secondary Debt Rank, the Subordinated Debt of the highest ranking according to the Secondary Debt Rank).

"**Most Senior Class of Notes**"	means the Priority 1 Notes for so long as there are any Priority 1 Notes outstanding and, thereafter, the Priority 2 Notes for so long as there any Priority 2 Notes outstanding and, thereafter, the Subordinated Notes (or, if there are different rankings (in point of security) of Subordinated Notes, the Subordinated Notes of the highest ranking (in point of security) according to the Secondary Debt Rank).
"**Net Sales Proceeds**"	means, in relation to a Mortgaged Property, the Sales Proceeds or Deemed Disposal Proceeds relating to such Mortgaged Property less (i) any amounts required to be deposited into a Tax Reserve Account in connection with its Disposal in accordance with the Tax Deed of Covenant or (ii) if no deposit is required to be made into a Tax Reserve Account to fund the payment of that tax, any tax associated with the Disposal of such Mortgaged Property in each case, disregarding the availability of capital losses which would be available to offset the tax associated with the Disposal (and, in relation to (i) to reduce the amount required to be so deposited) other than losses that have accrued to the Obligor that made such Disposal.
"**Net Unsecured Debt**"	means, at any time, the aggregate Adjusted Principal Amount of all Unsecured Debt (other than Financial Indebtedness incurred under a Contingency Bond); provided that the amount of Unsecured Debt outstanding under commercial paper issued by any Obligor shall be excluded to the extent of the amount of Permitted Drawings of Priority 1 Debt, Priority 2 Debt or Subordinated Debt that the Obligors could make under a committed facility at that time.
"**NGN**"	means a Temporary Global Note or a Permanent Global Note which is issued in new global note form.
"**Nominated Eligible Property**"	means any Eligible Property held by one or more Obligors which has been nominated by an Obligor for inclusion in the Estate in accordance with the Common Terms Agreement.
"**Nominees**"	means the Initial Nominees and any Additional Obligors who act as Trustees of Land under a Trust Declaration.
"**Non-Contingent Loan**"	means any Loan which is not a Contingency Bond.
"**Non-DR Global Note Certificate**"	means, in respect of any Series, the non-dual registered global note certificate to be issued in the form or substantially in the form set out in Part F (Form of Non-DR Global Note Certificate) of Schedule 2 to the Trust Deed.

"**Non-DR Individual Note Certificate**"	means, in respect of any Series, the non-dual registered individual note certificate to be issued in the form or substantially in the form set out in Part E (Form of Non-DR Individual Note Certificate) of Schedule 2 to the Trust Deed.
"**Non-GB Property**"	means a Mortgaged Property or (depending on the context) Nominated Eligible Property which is located outside England, Wales and Scotland.
"**Non-Restricted Group**"	means all of the Non-Restricted Group Entities.
"**Non-Restricted Group Cash Manager**"	means Land Securities Properties Limited.
"**Non-Restricted Group Entity**"	means any entity (or shareholders in any entity) which is a member of the Landsec Group but which is neither a member of the Security Group nor the Issuer.
"**Non-UK Obligor**"	means a person incorporated or established in an Approved Jurisdiction and resident for tax purposes only in an Approved Jurisdiction successfully nominated as an Obligor by the Principal Obligor for the purpose of achieving efficiencies in the business operations of the Security Group (see "— *Proposed Non-UK Structural Changes*", page 57, above).
"**Non-UK Obligor Proposal Certificate**"	means a certificate delivered by the Principal Obligor to the Obligor Security Trustee, Note Trustee and the Rating Agencies in relation to the Proposed Non-UK Structural Changes and to make modifications to certain of the terms and conditions of, or covenants contained in, the Common Terms Agreement, the Tax Deed of Covenant and other Transaction Documents in connection with the accession of the Proposed Non-UK Obligor, as described in "— *Restructuring of the Security Group and the Estate*", page 99, above.
"**Note Enforcement Notice**"	has the meaning given to it in Condition 11 (*Issuer Events of Default*).
"**Noteholders**"	means the holders from time to time of Notes or (as the context requires) any Class or Sub-Class of Notes.
"**Noteholders' Affirmation**"	means, in relation to a Sub-Class of Notes, an affirmation in a meeting by the Noteholders of the relevant Sub-Class of Notes that, as a result of the occurrence of a Ratings Event

	in relation thereto, they wish the Issuer to redeem such Sub-Class of Notes in whole.
"**Note Interest Period**"	has the meaning ascribed to it in Condition 6(j) (*Definitions*) and the relevant Final Terms.
"**Note Payment Date**"	has the meaning ascribed to it in Condition 6(j) (*Definitions*) and the relevant Final Terms.
"**Notes**"	means the Class A Notes, the Class B Notes, the Class R Notes or the Subordinated Notes or any Class or Sub-Class thereof, as the context requires, issued by the Issuer under the Programme.
"**Note Step-Up Amount**"	means, in relation to any Sub-Class of Notes, the amount of the interest payable in respect thereof which represents either (i) an increase in Margin equal to the Note Step-Up Rate (where Condition 6(f)(i) (*Interest Rate Step-Up*) applies), or (ii) the Note Step Up Rate (where Condition 6(f)(ii) (*Interest Rate Step-Up*) applies) from a specific date, as specified in the relevant Final Terms.
"**Note Step-Up Date**"	means, in relation to any Sub-Class of Notes, the date (if any) as specified in the relevant Final Terms on and from which there is an increase in margin (in the case of Floating Rate Notes) or an increase in interest rate (in the case of Fixed Rate Notes, Indexed Notes or Zero Coupon Notes).
"**Note Trustee**"	means Deutsche Trustee Company Limited, having its registered address at Winchester House, 1 Great Winchester Street, London EC2N 2DB, in its capacity as trustee for the Noteholders pursuant to the Trust Deed, or such other entity or entities appointed as successor note trustee from time to time, subject to and in accordance with the terms of the Trust Deed.
"**NSS**"	means New Safekeeping Structure, a structure where a Global Note Certificate is registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream and deposited with a common safekeeper.
"**Obligors**"	means the Original Obligors together with any Additional Obligor (and each an "**Obligor**").
"**Obligor Accession Deed**"	means the deeds (the form of which is set out in the Common Terms Agreement) to be executed by the Principal Obligor and a nominated Eligible Obligor pursuant to which such Eligible Obligor may accede as an Obligor to the Common

	Terms Agreement, the Security Trust and Intercreditor Deed, Account Bank and Cash Management Agreement, the Servicing Agreement, the Tax Deed of Covenant and the Obligor Floating Charge Agreement as the case may be, certain of which grant the fixed and floating charges granted by the Obligors pursuant to the Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement.
"**Obligor Accounts**"	means the Collection Accounts, the Disposal Proceeds Account, the Debt Collateralisation Account, the Income Replacement Account, any Liquidity Facility Reserve Account, the General Tax Reserve Account, the Specific Tax Reserve Account, any Approved Blocked Account, any Swap Collateral Account, any Swap Excluded Amount Account and any other bank account held from time to time by any Obligor to which it is beneficially entitled.
"**Obligor Event of Default**"	means any one of the events relating to the Obligors which are defined as such in the Common Terms Agreement and which are described in "— *Obligor Events of Default*" beginning on page 166, above.
"**Obligor Floating Charge Agreement**"	means the floating charge agreement dated 3 November 2004 and entered into between the Issuer, the Obligor Security Trustee, the Note Trustee and the Obligors.
"**Obligor General Transaction Documents**"	means the Obligor Transaction Documents other than the ACF Agreements, the Swap Agreements, the Liquidity Facility Agreements and the Intercompany Loan Agreement.
"**Obligor Property**"	means any interest in any real estate in any location owned by an Obligor.
"**Obligor Secured Creditors**"	at any time means: (a) the Obligor Security Trustee (for itself and for and on behalf of the other Obligor Secured Creditors); (b) the Issuer; (c) the Note Trustee as assignee by way of security of the Issuer's rights under the Obligor Transaction Documents and in respect of its indemnification rights against the Obligors under the Obligor Floating Charge Agreement;

(d) the Initial ACF Providers;

(e) the Account Bank;

(f) any Receiver appointed under the Security Trust and Intercreditor Deed and the Obligor Floating Charge Agreement;

(g) any Further ACF Provider;

(h) any Replacement Cash Manager;

(i) any Replacement Servicer;

(j) any Liquidity Facility Provider; and

(k) any Swap Counterparty,

and in the case of (h) to (i) above, to the extent that it is party (either as at the Exchange Date or by way of accession) to the Common Terms Agreement and the Security Trust and Intercreditor Deed and remains as a party thereto at the relevant time.

"**Obligor Security**" means the security interests created by the Obligors pursuant to the Obligor Security Documents.

"**Obligor Security Documents**" means:

(a) the Security Trust and Intercreditor Deed;

(b) any supplemental mortgage executed pursuant to the Security Trust and Intercreditor Deed;

(c) any Obligor Accession Deed;

(d) the Initial Standard Securities;

(e) any Supplemental Standard Securities;

(f) the Obligor Floating Charge Agreement;

(g) the Trust Declarations;

(h) the Beneficiary Undertakings; and

(i) any other document or instrument granted in favour of the Obligor Security Trustee (on behalf of the Obligor Secured Creditors) creating or evidencing the security for all or any part of the Secured Obligations.

"**Obligor Security Trustee**" means Deutsche Trustee Company Limited, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, in its capacity as trustee for the Obligor Secured Creditors from time to time under the Security Trust and Intercreditor Deed, or such other entity or entities appointed as successor obligor security trustee from time to time, subject to and in accordance with the terms of the Security Trust and Intercreditor Deed.

"**Obligor Transaction Documents**" means each or any of:

(a) the Common Terms Agreement;

(b) the Swap Agreements;

(c) any Liquidity Facility Agreements;

(d) the Intercompany Loan Agreement;

(e) the ACF Agreements;

(f) the Obligor Security Documents;

(g) the Account Bank and Cash Management Agreement;

(h) the Tax Deed of Covenant;

(i) the Reorganisation Documents;

(j) the Servicing Agreement; and

(k) any other agreement, instrument or deed designated as such by the Obligors and the Obligor Security Trustee.

"**Occupier**" means the lessee or other party entitled to occupy any Mortgaged Property (or part thereof) pursuant to any Leasing Agreement.

"**OFCA Floating Security**" means the floating charges granted by the Obligors in favour of the Issuer pursuant to the Obligor Floating Charge Agreement and assigned by way of security to the Note

	Trustee pursuant to the Issuer Deed of Charge (see the section entitled "*— Floating charges held by the Obligor Security Trustee and the Issuer*", page 176, above.).
"**Offering Circular**"	means the Listing Particulars in respect of the Programme dated 2 November 2004.
"**Office Sector**"	means the use of a Mortgaged Property primarily as offices within Use Class B1 of the Use Classes Order 1987.
"**Ongoing Facility Fee**"	means the facility fee payable from the Obligors to the Issuer under the Intercompany Loan Agreement after the Exchange Date.
"**Operating Accounts**"	means any accounts in the name of the Obligors and held with the Account Bank, the principal purpose of each of which is to provide an overdraft facility to the relevant Obligor.
"**Optional Calculation Date**"	means any date designated as such by any Obligor in a notice in writing to the Issuer, the Obligor Security Trustee and the Note Trustee.
"**Opt-out ACF Provider**"	means an ACF Provider which, as specified in the relevant ACF Agreement, has agreed with the relevant Obligor that it will exercise its voting rights given to it under the Security Trust and Intercreditor Deed.
"**Original Mortgaged Properties**"	means the properties listed as such in the Security Trust and Intercreditor Deed.
"**Original Obligors**"	means the entities listed in Schedule 1 (Details of Obligors as at the Date of this Base Prospectus) to this Base Prospectus.
"**Other Parties**"	means the Arranger, the Dealers, the Note Trustee, the Paying Agents, the Transfer Agents, the Registrar, the Agent Bank, the Swap Counterparties, the Account Bank, any Liquidity Facility Provider, any Class R Underwriters, any Class R Agent, the Cash Manager, the Obligor Security Trustee, FinCo, HoldCo, the Obligors, Land Securities PLC and Land Securities Group PLC.
"**Other Risks Policy**"	means an insurance policy pursuant to which cover is provided against third party liabilities and such other property related risks as in the reasonable opinion of the Obligors ought to be covered, judged by the standard of a reasonably

prudent owner and operator of businesses similar to the businesses of the Obligors.

"**Other Sector**" means the use or primary use of a Mortgaged Property for any purpose other than as Office Sector, Shopping Centres and Shops Sector, Retail Warehouses Sector, Industrial Sector, Leisure and Hotels Sector or Residential Sector.

"**P1 Breach Amount**" means, at any time, the aggregate of (i) the amount by which Security Group Net Debt Outstanding (as calculated in accordance with the P1 Debt Test) exceeded 55% of the Total Collateral Value as of the most recent P1 Breach Date (or 50%, if such P1 Breach Date fell during a Change of Control Period) and (ii) all Priority 1 Debt incurred by the Security Group since that P1 Breach Date (if any), less:

(a) all Priority 1 Debt repaid or Prepaid since that P1 Breach Date;

(b) all Revolving R1/R2 ACF Loans converted from Priority 1 Debt into Priority 2 Debt since that P1 Breach Date; and

(c) all Revolving R1 ICL Loans refinanced with Revolving R2 ICL Loans since that P1 Breach Date.

"**P1 Breach Certificate Date**" has the meaning given to that term in "— *Due to breach of P1 Debt Test*", page 120, above.

"**P1 Breach Date**" means:

(a) a Tier Test Calculation Date as of which the P1 LTV exceeds 55% (or, during a Change of Control Period, 50%); or

(b) an Additional Calculation Date as of which the P1 LTV exceeds 55% (or, during a Change of Control Period, 50%), and the relevant Additional LTV calculated as of that date (ignoring all Financial Indebtedness other than Priority 1 Debt and amounts ranking senior to Priority 1 Debt in accordance with the relevant Security Group Priority of Payments) is not less than or equal to 55% (or, during a Change of Control Period, 50%).

"**P1 Debtholders**"	means Noteholders of Notes corresponding to ICL Loans comprised in Priority 1 Debt (if any) and ACF Providers of ACF Loans comprised in Priority 1 Debt (if any).
"**P1 Debt Prepayment Provision**"	means the provision of the Common Terms Agreement that will require the Obligors to Prepay Non-Contingent Loans in accordance with the most recent Amortisation Schedule for so long as the P1 LTV calculated as of the most recent Calculation Date exceeds 55% (or, if a Change of Control Period applies, 50%) and such remains the case after the Obligors have refinanced, to the extent required and to the extent they are able to do so, Revolving R1/R2 Loans which are Priority 1 Debt with other funds. See "— *Due to breach of P1 Debt Test*", page 120, above.
"**P1 Debt Test**"	means the recalculation of the LTV as of certain Calculation Dates (ignoring for the purposes of such recalculation all Financial Indebtedness other than outstanding Priority 1 Debt and amounts ranking senior to Priority 1 Debt in accordance with the relevant Security Group Priority of Payments). See "— *The P1 Debt Test*", page 126, above.
"**P1 Headroom Test**"	means the test, conducted from time to time in accordance with the Common Terms Agreement, pursuant to which it will be determined whether the Obligors will be permitted to effect (or enter into binding commitments in respect of) Proposed Additional Transactions (including certain drawings of Further Priority 1 Debt) from time to time. See "— *Permitted Financial Indebtedness*", page 108 and "— *The Additional Tier Tests and Headroom Tests*", page 127, above.
"**P1 ICL Call Option**"	means a call option given by the Issuer and the Note Trustee in favour of the Obligor Security Trustee (to be held on trust for the P2 ACF Providers), exercisable following the delivery of a Loan Acceleration Notice and giving the P2 ACF Providers the entitlement (but not the obligation) to purchase (by way of assignment) the Issuer's (and the Note Trustee's) rights, title and interest in the Priority 1 ICL Loans (to the extent of principal and interest only).
"**P1 LTV**"	means the modified loan to value ratio calculated pursuant to the P1 Debt Test.
"**P1 Trigger Event**"	means any event which would entitle the P1 Debtholders to vote on whether to instruct the Obligor Security Trustee to take any Enforcement Action and/or to Accelerate the Secured Obligations as listed in the section entitled "— *Loan*

	Enforcement Notice and Enforcement Action", page 189, above.
"**P2 ACF Providers**"	means ACF Providers providing ACF Loans constituting Priority 2 Debt.
"**P2 Debtholders**"	means Noteholders of Notes corresponding to ICL Loans comprised in Priority 2 Debt (if any) and ACF Providers of ACF Loans comprised in Priority 2 Debt (if any).
"**P2 Enforcement Period**"	means any Enforcement Period commencing with the delivery of a Loan Enforcement Notice pursuant to a P2 Trigger Event and ending on (i) the date of removal of a Receiver as requested by the Obligors as set out in "— *Removal of a Receiver*" page 193, or (ii) the change in Qualifying Debtholders pursuant to a Loan Enforcement Notice delivered pursuant to an Enforcement Trigger Event (other than a P2 Trigger Event).
"**P2 Headroom Test**"	means the test, conducted from time to time in accordance with the Common Terms Agreement, pursuant to which it will be determined whether the Obligors will be permitted to effect (or enter into binding commitments in respect of) Proposed Additional Transactions (including certain drawings of Priority 2 Debt) from time to time. See "— *Permitted Financial Indebtedness*", page 108, and "— *The Additional Tier Tests and Headroom Tests*", page 127, above.
"**P2 Non-Payment Event**"	means an Obligor fails to pay when due any amount in respect of any Priority 2 Debt (excluding, in the case of any principal amounts, amounts falling due by reason of any Acceleration of the Priority 2 Debt).
"**P2 Trigger Event**"	means any event which would entitle the P2 Debtholders to vote on whether to instruct the Obligor Security Trustee to take any Enforcement Action as listed in the section entitled "— *Loan Enforcement Notice and Enforcement Action*", page 189, above.
"**Participating NRGEs**"	has the meaning given to it in "— *Land Securities Intra-Group Funding Deed*" page 228, above).
"**Partnership**"	means a partnership governed by the Partnership Act 1890 and/or the Limited Partnerships Act 1907, all of the partners of which are Obligors.

"**Passing Rent**"	means the rent firstly or principally reserved, payable by the relevant lessee pursuant to the corresponding Leasing Agreement, as is payable on an annualised basis from time to time, whether in advance or arrears, and irrespective of whether such sums are inclusive or exclusive of any sum representing a reimbursement of any costs incurred by the lessor, whether in respect of services, insurance premia or otherwise.
"**Paying Agents**"	means the Principal Paying Agent and the Irish Paying Agent and such other or further paying agents for the Notes as may from time to time be appointed in accordance with the terms of the Agency Agreement.
"**Performance Bond**"	means a guarantee or indemnity in respect of a financial instrument (in the nature of a demand bond) issued by a financial institution granted by at least one Obligor.
"**Permanent Global Note**"	in relation to any Series, a permanent global note in the form or substantially in the form set out in Part B (Form of Permanent Global Note) of Schedule 3 to the Trust Deed.
"**Permitted Business**"	means: (a) in relation to FinCo or a Financial SPV Obligor, making loans (or providing other financial accommodation) to members of the Security Group, the incurring of Permitted Financial Indebtedness other than Unsecured Debt and the entry into Swap Agreements in accordance with the Hedging Covenant; (b) in relation to Land Securities (Finance) Limited, making loans (or providing other financial accommodation) to members of the Landsec Group and borrowing (or receiving other financial accommodation) from members of the Landsec Group; (c) in relation to HoldCo, holding shares in the Issuer, Land Securities PLC or any other Obligor; (d) in the case of SubCo, holding shares in the Nominees; (e) in the case of each of the Nominees and Wood Street (Jersey) Limited, holding the legal title to a Mortgaged Property and where relevant holding any Development Account; and

(f) in relation to any other Obligor (other than a Financial SPV Obligor), directly or indirectly investing in commercial and residential property (including by way of trading the same, engaging in and trading Developments and outsourcing) primarily in the United Kingdom, providing real estate-related services to the Occupiers of Mortgaged Properties in respect of such Mortgaged Properties, all businesses ancillary to the above, holding shares in any other Obligor (or in any company, including a subsidiary, for whose liabilities it is not in any way responsible and in respect of which any obligation to contribute capital is counted towards the Unsecured Debt Limit) and the incurring of Permitted Financial Indebtedness.

"**Permitted Drawing**" means, at any time, the drawing, issuance or incurrence of Priority 1 Debt, Priority 2 Debt, Subordinated Debt or Unsecured Debt which in each case satisfies the requirements set out in "— *Permitted Financial Indebtedness*", page 108, above.

"**Permitted Encumbrance**" means:

(a) any Encumbrance arising under the Obligor Security Documents;

(b) liens arising solely under statute or by operation of law and in the ordinary course of any Obligor's business and not as a result of any default or omission on the part of any Obligor unless contested in good faith;

(c) rights of set-off existing in the ordinary course of business activities between any Obligor and its respective suppliers or customers;

(d) rights of set-off, banker's liens or the like arising by operation of law or by contract by virtue of the provision to any Obligor of permitted clearing bank facilities or committed overdrafts;

(e) any retention of title to goods, hire purchase, conditional sale agreement or arrangements having similar effect, in relation to goods supplied to any Obligor where such credit arrangement is required by the supplier in the ordinary course of its business and on customary terms;

(f) any Encumbrance (other than by way of mortgage or Standard Security, or equivalent, over any properties) securing any deferred purchase arrangements entered into in the ordinary course of business;

(g) any Encumbrance arising in the ordinary course of any Obligor's business where it is required to give to a local authority a guarantee that highway works in association with a development of a property will be completed in a satisfactory manner; and

(h) any Encumbrance over assets (other than Mortgaged Properties, shares in Obligors and bank accounts) in addition to those referred to in paragraphs (a) to (g), having an aggregate book value not exceeding £25,000,000 (subject to Indexation),

provided that no floating charge (other than under (a) above) shall be a Permitted Encumbrance.

"**Permitted Financial Indebtedness**"	means Financial Indebtedness incurred in accordance with certain provisions of the Common Terms Agreement (including those described in the section entitled "*— Permitted Financial Indebtedness*", page 108, above.).
"**person**"	shall be construed as a reference to any person, firm, company, body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing, and includes their permitted successors, transferees, assigns and assignees and any person deriving title under or through him, whether in security or otherwise.
"**Post-Division Properties**"	means Mortgaged Properties that were once part of one or more Undivided Properties.
"**Potential Issuer Event of Default**"	means any event which will become (if there is no remedy of that Default event within the period provided in the Conditions for its remedy) an Issuer Event of Default.
"**Potential Obligor Event of Default**"	means any event (referred to in the definition of "**Obligor Event of Default**") which will become (with the passage of time, the giving of notice, the making of any determination under the Obligor Transaction Documents or any combination thereof, and assuming for these purposes only no intervening remedy) an Obligor Event of Default.

"**Prepay**"	means Actually Prepay, Collateralise or Buyback (and "**Prepaid**" and "**Prepayment**" shall be construed accordingly).
"**Prepayment Amount**"	means, with respect to any Actual Prepayment, the principal amount of the Loan so Prepaid.
"**Pricing Supplement**"	means a pricing supplement issued in relation to each Sub-Class of Notes issued before 1 July 2005, as a supplement to the Conditions and giving details of such Sub-Class.
"**Primary Debt Rank**"	means the following ranks (listed in descending order of seniority in respect of their ranking in point of security): (a) Priority 1 Debt; (b) Priority 2 Debt; (c) Subordinated Debt; and (d) Unsecured Debt.
"**Principal Amount Outstanding**"	means at any date: (a) in relation to a Note, the principal amount of that Note upon issue less any repayment of principal made to the holder(s) thereof on or prior to that date and plus (in the case of an Indexed Note) any accretion to principal, in each case, after the relevant Issue Date in respect thereof; (b) in relation to a Sub-Class or Class, the aggregate principal amount of all Notes in such Sub-Class or Class less any repayment of principal made to the holder(s) thereof on or prior to that date and plus (in the case of a Sub-Class or Class of Indexed Notes) any accretion to principal, in each case, after the relevant Issue Date in respect thereof; (c) in relation to the Notes generally, the aggregate Principal Amount Outstanding of all Sub-Classes or Classes of Notes in issue (as determined in accordance with paragraph (b) above);

(d) in relation to an ICL Loan or (subject to (e) and (f) below) an ACF Loan, the principal amount outstanding for the time being of that loan at that date;

(e) in relation to loan guarantees or indemnities granted by an Obligor to a Non-Restricted Group Entity or other third party, the maximum principal amount guaranteed or indemnified under such loan guarantee or indemnity, as applicable, as at that date; and

(f) in relation to Performance Bonds, 15% of the fixed, liquidated or maximum principal amount guaranteed or indemnified under such Performance Bond as at that date,

provided that, for the purpose of any Debtholders' Meeting or any meeting of Noteholders, it shall exclude (A) in the case of paragraphs (a), (b) and (c) above, those Notes (if any) which are for the time being held by (1) the Issuer, any Obligor or any Non-Restricted Group Entity, (2) any person for the benefit of the Issuer or any of its subsidiaries or holding companies or any subsidiaries of any of its holding companies or (3) any person who has failed to surrender for repurchase any Class R Note on any Note Payment Date (other than where the Issuer was not obliged to repurchase the same), and (B) in the case of paragraph (d) above, any ACF Loans owed to a Non-Restricted Group Entity or an Opt-out ACF Provider.

"**Principal Obligor**" means Land Securities PLC or, if Land Securities PLC (or a replacement Principal Obligor) is no longer an Obligor, the Obligor nominated by the then Principal Obligor or its replacement.

"**Principal Paying Agent**" means Deutsche Bank AG, London Branch, acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, or such other entity or entities appointed as principal paying agent from time to time, subject to and in accordance with the terms of the Agency Agreement.

"**Principal Transfer Agent**" means Deutsche Bank AG, London Branch in its capacity as principal transfer agent, or such other entity or entities appointed as principal transfer agent from time to time, subject to and in accordance with the terms of the Agency Agreement.

"**Priority 1 Debt**" means Initial Priority 1 Debt and Further Priority 1 Debt.

"**Priority 1 Debt Step-Up Amounts**"	means any amount of interest payable in respect of any ICL Loans or ACF Loans constituting Priority 1 Debt which represents an increase in margin (in the case of Floating Rate Loans) or an increase in interest rate (in the case of Fixed Rate Loans) (i) from a scheduled date for any reason or (ii) (in the case of an ACF Loan) due to a failure to pay any amount due under such ACF Agreement.
"**Priority 1 ICL Loans**"	means ICL Loans corresponding to Priority 1 Notes.
"**Priority 1 Notes**"	means Class A Notes and Class R1 Notes.
"**Priority 2 Debt**"	means any Financial Indebtedness of any of the Obligors which is incurred after the Exchange Date in compliance with the Common Terms Agreement and which is attributed the Debt Rank of "**Priority 2 Debt**" in accordance with the provisions described in "*— Ranking of Financial Indebtedness*", page 106, above.
"**Priority 2 Debt Step-Up Amounts**"	means any amount of interest payable in respect of any ICL Loans or ACF Loans constituting Priority 2 Debt which represents an increase in margin (in the case of Floating Rate Loans) or an increase in interest rate (in the case of Fixed Rate Loans) (i) from a scheduled date for any reason or (ii) (in the case of an ACF Loan) due to a failure to pay any amount due under such ACF Agreement.
"**Priority 2 Notes**"	means Class B Notes and Class R2 Notes.
"**Pro Forma Historical ICR**"	means, in respect of any Proposed Additional Transaction, the modified Historical ICR calculated on of the relevant Additional Calculation Date (assuming that such transaction was completed as of the first day of the most recently completed Historical Calculation Period).
"**Programme**"	means the £7,000,000,000 multicurrency programme for the issuance of Notes established by the Issuer.
"**Prohibited Transaction**"	means any transaction or Dealing (including (i) the introduction of a Nominated Eligible Property into the Estate or an Eligible Obligor into the Security Group, (ii) the removal of a Mortgaged Property from the Estate or an Obligor from the Security Group or (iii) the incurrence or Prepayment of Financial Indebtedness) in respect of which any one of the following is true: (a) it would cause a breach (or, if already breached, a further breach) of the Financial Covenant were a Tier

Test Calculation Date to occur immediately following the completion of such transaction or Dealing;

(b) it would cause any Concentration Limit to be exceeded (or, if already exceeded, to be further exceeded); or

(c) it would cause any covenant given by the Obligors under the Obligor Transaction Documents (other than the covenants referred to in paragraphs (a) and (b) above) to be breached (or, if already breached, to be breached further),

provided that transactions or Dealings which are completed on the same day shall be deemed to constitute a single transaction.

"**Projected EBITDA**" means, in respect of any Forward-Looking Calculation Period, the sterling projected consolidated or pro forma consolidated operating profit of the Security Group (taking into account projected changes in its composition) for that period calculated in accordance with the Applicable Accounting Principles (but including for the avoidance of doubt any projected releases from the Income Replacement Account), but before:

(a) any Projected Interest Charges;

(b) any amount projected to be attributable to amortisation of goodwill or other intangible assets or the amortisation or the writing off of acquisition or refinancing costs and any deduction for depreciation of assets; and

(c) any tax projected to accrue for such Forward-Looking Calculation Period in respect of all amounts and items included in or taken into account in calculating that projected consolidated operating profit and before making any adjustments to projected deferred tax assets or liabilities in that period,

and excluding:

(i) fair value adjustments or impairment charges (to the extent they involve no payment of cash);

(ii) items that would be treated as extraordinary or exceptional income or charges under the Applicable

Accounting Principles for such Forward-Looking Calculation Period;

(iii) any amount attributable to the writing up or writing down of any assets of any Obligor after the Exchange Date or, in the case of an Obligor becoming such after the Exchange Date, after the date of its becoming such and, in each case, in respect of such Forward-Looking Calculation Period;

(iv) any non-cash amount attributed to share-based payments;

(v) any other non-cash items, including any change in the mark-to-market value of any derivative transaction (but not so as to exclude UITF 28 as it affects any rent-free periods relating to tenancies granted by or to the Obligors, accruals and prepayments relating to rental income and operating expenses and specific bad debt provisions); and

(vi) any amounts attributable to the projected disposal of any properties or other fixed assets during such Forward-Looking Calculation Period.

"**Projected ICR**" means, in respect of any Forward-Looking Calculation Period, the ratio of the Projected EBITDA to the Projected Interest Charges each in respect of such Forward-Looking Calculation Period, converting all non-sterling amounts into sterling as required.

"**Projected Interest Charges**" means, in relation to a Forward-Looking Calculation Period:

(a) without double-counting, the projected accrued cost of interest on Financial Indebtedness of the Security Group (excluding any non-cash items, front end fees (whether or not amortised) and exceptional and extraordinary items but after taking account of any relevant hedging) for such Forward-Looking Calculation Period calculated on an accruals basis;

less:

(b) without double-counting, any projected interest receivable by any member of the Security Group from a third party over the relevant Forward-Looking Calculation Period other than interest on the Income

Replacement Account but including interest on amounts standing to the credit of the Liquidity Ledger.

"**Projection Methodologies Confirmation**"	means the confirmation required by the Common Terms Agreement to be provided by the Rating Agencies in order for the Obligors to adopt certain material changes to the projection methodologies used to calculate certain financing ratios under the Common Terms Agreement. See "— *Standard of care regarding projections*", page 129, above.
"**Property Covenants**"	means the covenants as set out in the Common Terms Agreement, which are set out under the headings of "— *Sector diversity – positive covenant*", "— *Sector diversity – negative covenant*", "— *Geographic diversity – negative covenant*", "— *Tenant concentration limit*", "— *Dealings permitted while Concentration Limit exceeded*", "— *Property management*", "— *Leasing*", "— *Development*" and "— *Disposals – negative covenant*", from page 143 to page 147, as the same may be modified and/or supplemented by any relevant T2 Covenant or T3 Covenant.
"**Property Manager**"	means a property manager selected by the Obligors from the Approved Property Manager List.
"**Property Owner**"	means, with respect to any Eligible Property, the Obligor or Obligors that hold the legal and beneficial title to such property.
"**Property Release**"	means, in respect of any Mortgaged Property, a deed, agreement or other document (which will in each case be in a form that shall have been pre-agreed between the Obligor and the Obligor Security Trustee) that, upon the due execution thereof by the Obligor Security Trustee and, in the case of Mortgaged Properties located in a jurisdiction other than England, Wales or Scotland, the completion of such other formalities as may be required in that jurisdiction, will be effective to release or re-convey to the relevant Obligor the entire security interest in respect of such Mortgaged Property held by the Obligor Security Trustee (for itself and on behalf of the other Obligor Secured Creditors) under the Obligor Transaction Documents.
"**Proposed Accounting Principles**"	means the accounting principles generally accepted by property companies in the United Kingdom (including but not limited to the International Financial Reporting Standards as then applied) which the Obligors elect (in accordance with

	the Common Terms Agreement) to adopt for the purpose of preparing, calculating and determining financial information, the loan to value and interest cover ratios under the Obligor Transaction Documents. See "— *Changes in Applicable Accounting Principles*", page 131, above.
"**Proposed Additional Transaction**"	means each transaction or combination of transactions (together with certain repayment of Financial Indebtedness) in respect of which the Obligors are required by the Common Terms Agreement to conduct the Additional Tier Tests. See "— *The Additional Tier Tests and Headroom Tests*", page 127, above.
"**Proposed Completion Date**"	means, in respect of any Proposed Additional Transaction, the first date upon which the Obligors propose to pay any amount (whether or not for cash), release security or transfer title to any Mortgaged Property or the shares of any Obligor, incur Financial Indebtedness, make any Prepayment, withdraw funds from the Disposal Proceeds Account, Debt Collateralisation Account or any Approved Blocked Account or otherwise complete such Proposed Additional Transaction.
"**Proposed Non-UK Obligor**"	means an Eligible Obligor which the Principal Obligor may nominate as a person to which of one or more Mortgaged Properties will be transferred or by which one or more Mortgaged Properties will be acquired. See "— *Restructuring of the Security Group and the Estate*", page 99, above.
"**Proposed Non-UK Obligor Modifications**"	means the modifications proposed to be made by the Obligors to certain of the terms and conditions of, or the covenants contained in, the Common Terms Agreement and/or other Transaction Documents in connection with any proposed transfer of one or more Mortgaged Properties to a Proposed Non-UK Obligor or any proposed acquisition of one or more Mortgaged Properties by a Proposed Non-UK Obligor. See "— *Restructuring of the Security Group and the Estate*", page 99, above.
"**Proposed Non-UK Structural Changes**"	means any proposed transfers or acquisitions of or changes to the composition, holding structure or corporate structure of the Mortgaged Properties and/or the Security Group in connection with the nomination of a Proposed Non-UK Obligor as an Additional Obligor. See "— *Restructuring of the Security Group and the Estate*", page 99, above.

"**Proposed Restructuring Modifications**"	means the modifications proposed to be made by the Obligors to certain of the terms and conditions of, or the covenants contained in, the Common Terms Agreement and/or the other Transaction Documents in connection with any proposed restructuring of the Security Group and/or the Estate. See "— *Restructuring of the Security Group and the Estate*", page 99, above.
"**Proposed Structural Changes**"	means any proposed changes to the composition, holding structure or corporate structure of the Mortgaged Properties and/or the Security Group in connection with an Accepted Restructuring Purpose.
"**QIB**"	means Qualified Institutional Buyer, as defined in Rule 144A.
"**Qualifying Debtholders**"	means the Debtholders that are entitled to vote at a Debtholders' Meeting as described in the section entitled "— *Intercreditor arrangements*", page 180, above.
"**Qualifying Noteholders**"	means Noteholders who are Qualifying Debtholders in respect of a Debtholders' Meeting.
"**Qualifying Self-Insured Mortgaged Properties**"	means any Mortgaged Property or any standalone building on any Mortgaged Property where the Leasing Agreement in respect thereof imposes on the lessee an unqualified obligation, at its own cost, to fully reinstate the premises in question in the event of damage or destruction to the same, and such lessee is (i) a Government Tenant or a lessee who has, or whose obligations under the relevant Leasing Agreement are guaranteed by an entity which has, at all times, an actual or shadow/private corporate rating of, depending upon which of S&P, Fitch and/or Moody's are a Rating Agency at the relevant time, AA or higher from S&P or AA or higher from Fitch or Aa2 or higher from Moody's (or, in each case, the short-term equivalent of such rating if the basis of such ratings changes in the future), or (b) any other lessee provided that at all times the aggregate Market Value of Mortgaged Properties to which this part (ii) may apply shall not exceed 5% of the Total Collateral Value.
"**R1/R2 *Pro rata* Amount**"	means, on any P1 Breach Certificate Date, the P1 Breach Amount then outstanding multiplied by a fraction, the numerator of which is the principal amount of Revolving R1/R2 ACF Loans which are Priority 1 Debt then outstanding and the denominator of which is the aggregate of all Revolving R1/R2 Loans which are Priority 1 Debt then outstanding.

"**R1/R2 Tranche**" means a tranche which is designated as such in a Revolving R1/R2 ACF Agreement.

"**Rating Affirmed Matters**" means certain matters which shall be approved by the Obligor Security Trustee (in certain circumstances) if the Ratings Test is satisfied, as set out in "— *Rating Affirmed Matters*", page 185, above.

"**Rating Agencies**" means, at any time, any two or more internationally recognised rating agencies (which term shall include S&P, Fitch and Moody's) appointed from time to time by the Obligors to rate the Notes (or if, at any time, there is only one internationally recognised rating agency, such rating agency).

"**Ratings Affirmation**" means a written statement, from each Rating Agency to the Obligors, of the ratings then assigned by that Rating Agency to each of the Class A Notes and the Class B Notes.

"**Ratings Event**" means, at any time, the occurrence of either of the following events:

(a) a Ratings Reset Event has not occurred and any of the following occur at that time:

(i) if S&P is a Rating Agency at that time, S&P downgrades the ratings of (1) the Class A Notes to A+ or lower or (2) the Class B Notes to BBB+ or lower;

(ii) if Fitch is a Rating Agency at that time, Fitch downgrades the ratings of (1) the Class A Notes to A+ or lower or (2) the Class B Notes to BBB+ or lower;

(iii) if Moody's is a Rating Agency at that time, Moody's downgrades the ratings of (1) the Class A Notes to A2 or lower or (2) the Class B Notes to Baa2 or lower; or

(iv) if any other internationally recognised rating agency is a Rating Agency at that time, such rating agency downgrades the ratings of (1) the Class A Notes to a rating equivalent to A+ or lower or (2) the Class B Notes to a rating equivalent to BBB+ or lower; or

(a) a Ratings Reset Event has occurred and any of the entities referred to in paragraph (a) above, if it is a Rating Agency at that time, downgrades any Sub-Class of Notes by more than one notch below the Reset Rating applicable to such Sub-Class of Notes, provided that, for the purposes of the foregoing, a designation of "**negative outlook**" (or equivalent) will not amount to a downgrade.

"**Ratings Event Prepayment Provision**" means the provision of the Common Terms Agreement that requires the Obligors to Prepay Non-Contingent Loans in accordance with the most recent Amortisation Schedule following the occurrence of a Ratings Event or the failure of the Obligors to obtain a Ratings Affirmation at least once in any five year period. See "— *Upon Ratings Event or failure to obtain Ratings Affirmation*", page 119, above.

"**Ratings Reset Event**" means that the following has occurred:

(a) following the occurrence of a Ratings Event, the Issuer has elected to exercise its right to redeem the Notes in accordance with Condition 8(c) (*Optional Redemption as Result of Ratings Event*); and

(b) at a meeting of any Sub-Class of Noteholders duly convened in accordance with Condition 8(c) (*Optional Redemption as Result of Ratings Event*), less than 75% of the Noteholders of such Sub-Class voted in favour of redemption of such Notes.

"**Ratings Test**" means receipt of a confirmation from each of at least two Rating Agencies (or, if at any time there is only one Rating Agency, that Rating Agency) that, in respect of any event or matter in respect of which such confirmation is required or sought, either:

(a) no Ratings Event in respect of such Rating Agency has occurred or will occur as a result of the relevant event or matter; or

(b) that Rating Agency will not downgrade any of the Notes as a result of the relevant event or matter.

"**Receiver**" means any receiver, manager, receiver and manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986 and who is appointed:

(a) by the Obligor Security Trustee under the Obligor Security Documents in respect of the whole or any part of the Obligor Security; or

(b) by the Note Trustee (as assignee by way of security of the Issuer's rights under the Obligor Transaction Documents) under the Obligor Floating Charge Agreement in respect of the whole or any part of the security granted in favour of the Issuer under the Obligor Floating Charge Agreement; or

(c) by the Note Trustee under the Issuer Deed of Charge in respect of the whole or any part of the Issuer Security.

"**Redemption Amount**" means (if such amount is provided in the Conditions) the amount payable upon redemption of the Notes in certain circumstances as specified in the relevant Conditions.

"**Region**" means either:

(a) London, the South East and Eastern, the Midlands, Wales and the South West, the North, Scotland and Northern Ireland as shown (in each case) on the plan included in Schedule 2 (Regions) with any Mortgaged Properties, or proposed Mortgaged Properties, which straddle boundaries between Regions being allocated to a particular Region by the Obligors by reference to the predominant Region in which the Mortgaged Property is located by land area; or

(b) all areas outside the United Kingdom.

"**Registered Notes**" means those Notes issued in registered form.

"**Registers of Scotland**" means the Land Register of Scotland and the General Register of Sasines.

"**Registrar**" means each and either of Deutsche Bank Trust Company Americas and Equiniti Limited in their respective capacities as registrar and any other entity appointed as a registrar from time to time, subject to and in accordance with the Agency Agreement.

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

"**Regulation S Global Note Certificate**"	means, in relation to any Series, an unrestricted global note certificate representing the Notes of such Series in the form or substantially in the form set out in Part D (Form of Regulation S Global Note Certificate) of Schedule 2 to the Trust Deed and bearing any legend required by the applicable clearing system(s) for such Notes but not the Rule 144A Legend.
"**Regulation S Individual Note Certificate**"	means, in relation to any Series, an unrestricted individual note certificate representing a Noteholder's entire initial holding of Notes of such Series in the form or substantially in the form set out in Part C (Form of Regulation S Individual Note Certificate) of Schedule 2 to the Trust Deed.
"**Reintroduced Property**"	means a real estate property which was (but is no longer) a Mortgaged Property.
"**REIT**"	means a real estate investment trust.
"**Released Obligor**"	means an entity which was an Obligor but in respect of which the Obligor Security Trustee executed a deed (the form of which is set out in the Common Terms Agreement) which released such entity from all of its obligations under the Obligor Transaction Documents.
"**Released Property**"	means a property which is no longer part of the Estate following the execution of a Property Release in respect of such property by the Obligor Security Trustee in accordance with the Common Terms Agreement.
"**Relevant Member**"	means a JerseyCo (other than a JerseyCo which is bare trustee for a company incorporated in England and Wales) or any of the partners of a Partnership.
"**Relevant Mid-Swap Rate**"	has the meaning given to such term in Condition 8(b)(i)(A) (*Optional Redemption*).
"**Rental Income**"	means the annual rent, licence fees and other analogous payments contractually receivable from Occupiers in respect of Mortgaged Properties (or any particular Mortgaged Property or any part thereof, as the case may be) pursuant to Leasing Agreements (excluding payments in respect of any service charge and insurance charge and, in cases where the annual rent, licence fee or other analogous payment contractually receivable as aforesaid is inclusive of service charge and insurance charge payments, excluding these elements on the basis of a proper assessment by the Principal Obligor's directors of the payments that would be

	contractually receivable if service charge and insurance charge payments were separately payable).
"**Rental Loans**"	means loans made by any Non-Restricted Group Entity to Land Securities (Finance) Limited by way of annual rent, licence fees and similar payments, including amounts in respect of service charges and insurance charges, being paid by such Non-Restricted Group Entity's tenants into a Collection Account.
"**Reorganisation Documents**"	means all the agreements and instruments, entered into on or about the Exchange Date which effect or relate to the transfer of shares or assets between members of the Landsec Group.
"**Replacement Cash Manager**"	means, at any time, the company (if any) not being a member of the Landsec Group which is appointed, for the time being, as cash manager under and in accordance with the Account Bank and Cash Management Agreement.
"**Replacement Servicer**"	means, at any time, the company (if any) not being a member of the Landsec Group which is appointed for the time being as servicer under and in accordance with the Servicing Agreement.
"**Reporting Date**"	means the day which falls 90 days after the end of each Financial Half-Year or, if such day is not a Business Day, the following Business Day.
"**Representatives**"	means, in respect of Qualifying Debtholders who are Noteholders, the Note Trustee, and in respect of Qualifying Debtholders who are ACF Providers, such person as designated in the relevant ACF Agreement.
"**Required Liquidity Amount**"	means, at any time, the product of A x B x C, where: (a) "A" equals the number of percentage points by which the LTV exceeded 55% as of the most recent Liquidity Relevant Date (provided that "A" (i) shall be calculated to zero decimal places with all fractions being rounded down and (ii) shall not exceed 15); (b) "B" equals 1/15; and (c) "C" equals the aggregate of all interest expense (after taking account of hedging) that will accrue in respect of Non-Contingent Loans which are Priority 1 Debt during the 18-month period immediately following the

most recent Liquidity Relevant Date (assuming for these purposes that (i) no repayments, Actual Prepayments or Buybacks will be made in respect of Priority 1 Debt during that period and (ii) in respect of Priority 1 Debt all applicable base or reference rates and margins will remain, throughout that period, as they were on the most recent Liquidity Relevant Date).

"**Reset Ratings**"	means, in respect of any Sub-Class of Notes and any Rating Agency, the ratings assigned by that Rating Agency to such Sub-Class as of the date of the most recent Ratings Reset Event.
"**Residential Sector**"	means the use of a Mortgaged Property primarily for residential purposes within Use Class C3 of the Use Classes Order 1987.
"**Restricted Notes**"	has the meaning given to that term in the section entitled "— *Form of Restricted Notes*", page 354, above.
"**Restricted Payment**"	means any payment or other disposal of cash or other funds or assets, including (but not restricted to) by way of advance of a loan, payment of a dividend or other return on capital, a distribution, payment of interest, payment of premium, repayment of a loan, payment of fees, the making of a gift or a capital contribution or reduction of capital, in each case, to a Non-Restricted Group Entity or a Stakeholder, or purchase of tax relief from a Non-Restricted Group Entity or a Stakeholder.
"**Restricted Payment Covenant**"	means the covenants referred to in "— *Other Restricted Payments*", page 149, and "— *Restricted Payments*", page 152, above.
"**Restructuring Proposal Certificate**"	means a certificate delivered by the Principal Obligor to the Obligor Security Trustee, the Note Trustee and the Rating Agencies in relation to a proposed restructuring of the Security Group and/or the Estate and/or to make modifications to certain of the terms and conditions of, or the covenants contained in, the Common Terms Agreement and/or the other Transaction Documents which meets the relevant requirements set out in the Common Terms Agreement, all for an Accepted Restructuring Purpose, as described in "— *Restructuring of the Security Group and the Estate*", page 99, above.

"**Retail Warehouses Sector**"	means the use of a Mortgaged Property primarily for retail warehouse purposes within Use Class A1 of the Use Classes Order 1987.
"**Revolving ICL Loan**"	means a Revolving R1 ICL Loan or a Revolving R2 ICL Loan.
"**Revolving Loan**"	means any revolving loan outstanding under the Intercompany Loan Agreement or an ACF Agreement.
"**Revolving R2 ICL Loan**"	means a loan referable to the Class R2 Notes in circulation from time to time (if any) and made by the Issuer under the Intercompany Loan Agreement.
"**Revolving R1/R2 ACF Agreement**"	means an agreement which is designated as such and which meets certain additional criteria set out in the Common Terms Agreement. See "— *Revolving R1/R2 ACF Loans*", page 105, above.
"**Revolving R1/R2 ACF Loans**"	means a Loan advanced from the R1/R2 Tranche of a Revolving R1/R2 ACF Agreement.
"**Revolving R1/R2 Loans**"	means the Revolving R1/R2 ACF Loans and the Revolving ICL Loans.
"**Revolving R1 ICL Loan**"	means a loan referable to the Class R1 Notes in circulation from time to time (if any) and made by the Issuer under the Intercompany Loan Agreement.
"**Rights Release**"	means, in respect of any Mortgaged Property, a deed, agreement or other documents (which will in each case be in a form that shall have been agreed between the Obligor and the Obligor Security Trustee) that, upon the due execution thereof by the Obligor Security Trustee, will be effective to release or re-convey to the relevant Obligor the entire security interest in respect of particular rights and/or easements attached to and forming part of the Mortgaged Property held by the Obligor Security Trustee (for itself and on behalf of the Obligor Secured Creditors) under the Obligor Transaction Documents.
"**RM Security Structure**"	means the security structure effected by the RM Security Structure Documents in respect of such properties which any Relevant Member proposes to introduce into the Estate.
"**RM Security Structure Documents**"	means, in respect of any Relevant Member and any property which such Relevant Member proposes to introduce into the Estate, the relevant (i) Nominees' legal charge, (ii) Relevant Member's equitable charge, (iii) Trust Declaration and (iv)

Beneficiary Undertaking, in each case as described in "— *Trust Declarations and Beneficiary Undertakings",* page 214, above.

"**RPC Exception**" means:

(a) any Restricted Payment expressly permitted by an Obligor Transaction Document (including, without limitation, repayment by Land Securities (Finance) Limited of Rental Loans or Servicer Loans, payments to a Non-Restricted Group Entity made in accordance with the Obligor Transaction Documents and made to such Non-Restricted Group Entity solely in its capacity as an ACF Provider and payments for the purchase of tax relief where the relevant conditions in the Tax Deed of Covenant are satisfied);

(b) any Restricted Payment made from the net proceeds arising out of (i) the issue of equity or (ii) any Subordinated Debt or Unsecured Debt provided to one or more Obligors in accordance with the terms of the Common Terms Agreement;

(c) any Restricted Payment made as a Rating Affirmed Matter; and

(d) any Restricted Payment constituting the consideration for an Acquisition on arm's-length terms.

"**RPI Base Index Figure**" means 188.1.

"**RPI Indexation**" means, in respect of any number, that number multiplied by the RPI Index Ratio.

"**RPI Index Figure**" means, at any time, the UK Retail Prices Index (RPI) (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the UK Retail Prices Index (the relevant publication being the most recent publication prior to such time and the relevant RPI Index Figure being that relating to the month before that of publication).

"**RPI Index Ratio**" means, at any time, the RPI Index Figure divided by the RPI Base Index Figure.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Global Certificate**"	means, in relation to any Series, a global note certificate representing the Restricted Notes of such Series to be issued in the form set out in Part B (Form of Rule 144A Global Certificate) of Schedule 2 to the Trust Deed and bearing the Rule 144A Legend and any legends required by the applicable clearing system(s) for such Notes.
"**Rule 144A Individual Note Certificate**"	means, in relation to any Series, a restricted individual note certificate representing a Noteholder's entire holding of Notes of such Series and in the form or substantially in the form set out in Part A (Form of Rule 144 individual Note Certificate) of Schedule 2 to the Trust Deed and bearing the Rule 144A Legend.
"**Rule 144A Legend**"	means the transfer restriction legend setting out the restrictions on the transfer of the Notes offered and sold within the US to QIBs in reliance on Rule 144A in substantially the forms set out in the Rule 144A Global Certificate and the Rule 144A Individual Note Certificate.
"**S&P**"	means S&P Global Ratings Europe Limited or its successor by way of name change or merger from time to time.
"**Sales Proceeds**"	means, in relation to the Disposal of a Mortgaged Property or of an Obligor (i) the gross proceeds of sale thereof (and of any other part of the Charged Property sold in connection with any Mortgaged Property) as and when received by the relevant vendor Obligor(s) less (ii) an amount equal to the costs and expenses incurred by the relevant vendor Obligor(s) in connection with the relevant Disposal (including any amount to be paid in respect of any indemnity relating to such costs and expenses) or, where the Disposal is for a non-cash consideration in whole or in part and where a T3 Covenant Regime applies, the amount which the Obligors are obliged to credit to the Disposal Proceeds Account pursuant to the provision in "— *Disposal and Insurance Proceeds*", page 155, above.
"**Scheduled Calculation Dates**"	means: (a) if the T1 Covenant Regime or the T2 Covenant Regime applies, the last day of each Financial Half-Year (commencing on 31 March 2005); or (b) if a T3 Covenant Regime applies, the last day of each Financial Half-Year (commencing on 31 March 2005)

and each day falling three months after the last day of each Financial Half-Year.

"**Scottish Assets**"	means all assets of the Obligors situated in, or governed by the laws of, Scotland.
"**Scottish Property**"	means any one or more of the Mortgaged Properties or proposed Mortgaged Properties located in Scotland.
"**SD Headroom Test**"	means the test, conducted from time to time in accordance with the Common Terms Agreement, pursuant to which it will be determined whether certain proposed drawings of Further Subordinated Debt are Permitted Drawings, as described in "*— Permitted Financial Indebtedness*", page 108, above..
"**Secondary Debt Rank**"	means sub-ranks, established by the Obligors in accordance with the Common Terms Agreement, which specify the ranking (in point of security only) of Subordinated ICL Loans and Subordinated ACF Loans inter se. See "*— Ranking of Financial Indebtedness*", page 106, above.
"**Sector**"	means the Office Sector, Shopping Centres and Shops Sector, Retail Warehouses Sector, Industrial Sector, Residential Sector, Leisure and Hotels Sector or Other Sector.
"**Sector Concentration Limit**"	means a limit imposed by the Common Terms Agreement on the percentage of Total Collateral Value that may be attributable to any Sector. See "*— Sector diversity – negative covenant*", page 137, above.
"**Secured Creditor Instruction**"	means any instruction given to the Obligor Security Trustee as approved in a Debtholders' Meeting or separate Debtholders' Meetings, if so required by the Obligor Security Trustee.
"**Secured Creditors**"	means the Issuer Secured Creditors and the Obligor Secured Creditors.
"**Secured Financial Indebtedness**"	means any Financial Indebtedness of a member of the Security Group which is secured under the Obligor Security Documents.
"**Secured Obligations**"	means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each

Obligor to any Obligor Secured Creditor under each Obligor Transaction Document to which such Obligor is a party.

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

"**Security Group**" means all the Obligors.

"**Security Group Net Debt Outstanding**" means, at any time, a sum equal to the aggregate of each Obligor's Financial Indebtedness then outstanding (without double counting), less the sum of the aggregate amount then standing to the credit of the Debt Collateralisation Account, the Disposal Proceeds Account, any Liquidity Facility Reserve Account (but only to the extent that the standby loan drawn under the relevant Liquidity Facility Agreement and deposited into such Liquidity Facility Reserve Account is treated as Financial Indebtedness for the purposes of this definition) and any Approved Blocked Account and the value of any Eligible Investments then held by any Obligor and made with funds standing to the credit of the Debt Collateralisation Account, the Disposal Proceeds Account, any Liquidity Facility Reserve Account (subject as provided above) or any Approved Blocked Account, provided that, for the purposes of this definition:

(a) to the extent that any Financial Indebtedness comprises loan guarantees, loan indemnities or similar instruments granted by an Obligor to a Non-Restricted Group Entity or other third party, the maximum principal amount from time to time outstanding under such loan and at that time guaranteed, indemnified or otherwise payable under each such guarantee, indemnity or similar instrument, as applicable, shall be included as the amount of Financial Indebtedness in respect thereof;

(b) to the extent that any Financial Indebtedness comprises a Performance Bond, 15% of the fixed, liquidated or maximum principal amount payable in respect of such Performance Bond from time to time shall be included as the amount of Financial Indebtedness in respect thereof;

(c) if any ICL Loan corresponds to a Sub-Class of Notes which are Zero Coupon Notes or Indexed Notes, the Obligors' liability in respect of such Loan will be treated as being equal to the cost of prepaying such Notes at

that time (excluding any penalties for early redemption); and

(d) if any Financial Indebtedness of any Obligor is a guarantee or similar instrument in respect of any item that would be comprised in Security Group Net Debt Outstanding referred to in any of (a) to (c) above, if owed by an Obligor (but is owed by a person other than an Obligor), the liability under such guarantee or other instrument shall be treated as the amount that would be taken into account in determining Security Group Net Debt Outstanding in respect of such item.

"**Security Group Post-Enforcement (Post-Acceleration) Priority of Payments**"	means the priority of payments applicable to the Security Group after the enforcement of the Obligor Security and Acceleration of the Secured Obligations set out in "— *Security Group Post-Enforcement (Post-Acceleration) Priority of Payments*", page 210, above.
"**Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments**"	means the priority of payments applicable to the Security Group after the enforcement of the Obligor Security but before the Acceleration of the Secured Obligations set out in "— *Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments*", page 205, above.
"**Security Group Pre-Enforcement Priority of Payments**"	means the priority of payments applicable to the Security Group before the enforcement of the Obligor Security set out in "— *Security Group Post-Enforcement Priority of Payments*", on page 204, above.
"**Security Group Priority of Payments**"	means the Security Group Pre-Enforcement Priority of Payments, the Security Group Post-Enforcement (Pre-Acceleration) Priority of Payments or the Security Group Post-Enforcement (Post-Acceleration) Priority of Payments (whichever applies at the relevant time).
"**Security Trust and Intercreditor Deed**"	means the security trust and intercreditor deed dated 3 November 2004 and entered into between the Obligors, Land Securities Group PLC, the Issuer, the Note Trustee, the Obligor Security Trustee, the Obligor Secured Creditors and others.
"**Sequential Prepayment Regime**"	means the regime, set out in the Common Terms Agreement, that requires certain Prepayments of Loans made pursuant to the Mandatory Prepayment Provisions, while an Event of Default is continuing unwaived or while a T3 Covenant

	Regime applies to be made in descending order of seniority. See "— *Order of Prepayment*", page 118, above.
"**Series**"	means, in respect of each Issue Date, the series of Notes to be issued under the Programme on such Issue Date.
"**Series 2 ICL Loan**"	means an advance made by the Issuer to FinCo under the Intercompany Loan Agreement funded using the proceeds of issue of a Sub-Class of the Series 2 Notes.
"**Series 2 Notes**"	means the four Sub-Classes of Class A Notes issued by the Issuer on 17 March 2005.
"**Servicer**"	means Land Securities Properties Limited in its capacity as servicer to the Security Group or such other entity or entities appointed as servicer from time to time, subject to and in accordance with the terms of the Servicing Agreement.
"**Servicer Loan**"	means loans made to FinCo by any Non-Restricted Group Entity by way of such Non-Restricted Group Entity discharging, on behalf of an Obligor, any liability of that Obligor in respect of operating costs and expenses relating to its Permitted Business(es).
"**Services**"	has the meaning given to it in "— *Services*", page 225, above.
"**Servicing Agreement**"	means the agreement described in "— *Servicing Agreement*", page 225, above.
"**Shopping Centres and Shops Sector**"	means the use of a Mortgaged Property primarily for retail purposes within Use Classes A1 (other than retail warehouses), A2 or A3 of the Use Classes Order 1987.
"**Shortfall**"	means, in respect of the Security Group Pre-Enforcement Priority of Payments, a shortfall in Available Cash as compared to the aggregate amount due and payable on the day in question in respect of each item (other than the last item) in the Security Group Pre-Enforcement Priority of Payments.
"**Single Tenant**"	means any one tenant or any group of tenants who are affiliates of each other. (For the purposes of this definition, two persons will be affiliates of each other if (i) one such person is a direct or indirect subsidiary or subsidiary undertaking of the other person, (ii) one such person expressly and unconditionally guarantees the obligations of the other person under the relevant Leasing Agreement, (iii)

	both such persons are direct or indirect subsidiaries or subsidiary undertakings of a third person or (iv) the obligations of both such persons under the relevant Leasing Agreements are expressly and unconditionally guaranteed by the same third person.)
"**Specific Tax Reserve Account**"	means the account designated as the "**Specific Tax Reserve Account**", held in the name of FinCo and maintained by the Account Bank pursuant to the Account Bank and Cash Management Agreement, or any other such account so designated in the name of FinCo as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank in replacement of such account.
"**Specified Arrangement**"	means, in summary, certain transactions or series of transactions (other than certain types of transactions, including, *inter alia*, disposals) to which an Obligor becomes a party, the tax treatment of which has particular attributes or effects which would have a material effect on the taxation of that Obligor.
"**Stakeholder**"	means (i) a holder (other than an Obligor) of shares or other ownership interests (including a partnership interest) in any Obligor and (ii) any provider of services (including, but not limited to, cash management services) to the Security Group which is a Non-Restricted Group Entity.
"**Standard Securities**"	means the Initial Standard Securities and the Supplemental Standard Securities.
"**Step-Up Amounts**"	means any (i) Priority 1 Debt Step-Up Amount, (ii) Priority 2 Debt Step-Up Amount, or (iii) Subordinated Debt Step-Up Amount.
"**sterling**"	means the lawful currency of the United Kingdom as at the Exchange Date.
"**STID Floating Security**"	means the floating charges granted by the Obligors in favour of the Obligor Security Trustee pursuant to the Security Trust and Intercreditor Deed (see the section entitled "— *Fixed and floating security granted by the Obligors*", page 172, above).
"**Sub-Class**"	means: (a) in respect of Notes, Notes of a particular Class which are identical with each other (save, in the case of

fungible Notes, as to Issue Date, Interest Commencement Date and Issue Price);

(b) in respect of Noteholders, Noteholders holding a particular Sub-Class of Notes;

(c) in respect of ACF Providers, (i) where one or more ACF Providers (under a single ACF Agreement) are making one or more ACF Loans ranking in a single point of security, such ACF Provider (or ACF Providers) party to such ACF Agreement, and (ii) where one or more ACF Providers (under a single ACF Agreement) are making one or more ACF Loans ranking in multiple points of security, such ACF Provider (or ACF Providers) party to such ACF Agreement who are making ACF Loans ranking at a single point of security;

(d) in respect of Debtholders, a Sub-Class of Noteholders or a Sub-Class of ACF Providers; and

(e) in respect of Qualifying Debtholders, a Class of Noteholders who are Qualifying Debtholders or a Sub-Class of ACF Providers who are Qualifying Debtholders.

"**SubCo**" means LS Nominees Holdings Limited.

"**Subordinated ACF Loans**" means ACF Loans having the Primary Debt Rank of Subordinated Debt.

"**Subordinated ACF Provider**" means each ACF Provider which is a provider of Permitted Financial Indebtedness ranking in point of security after Priority 2 Debt.

"**Subordinated Debt**" means any Financial Indebtedness of any of the Obligors which is incurred after the Exchange Date and in compliance with the Common Terms Agreement and which is attributed the Primary Debt Rank of "**Subordinated Debt**" in accordance with the provisions described in "— *Ranking of Financial Indebtedness*", page 106, above.

"**Subordinated Debt Split**" means the establishment by the Obligors of Secondary Debt Ranks for each Subordinated ICL Loan and Subordinated ACF Loan in accordance with the Common Terms Agreement. See "— *Ranking of Financial Indebtedness*", page 106, above.

"**Subordinated Debt Step-Up Amounts**"	means any amount of interest payable in respect of any ICL Loans or ACF Loans constituting Subordinated Debt which represents an increase of margin (in the case of Floating Rate Loans) or an increase in interest rate (in the case of Fixed Rate Loans) (i) from a specific date for any reason or (ii) (in the case of an ACF Loan) due to a failure to pay any amount due under such ACF Agreement.
"**Subordinated Debt Subordinated Amounts**"	means, in relation to any Subordinated Debt: (a) (in relation to ACF Loans) any increased costs payable under any ACF Agreement save to the extent that such increased costs represent the cost of regulatory capital attributable to the ACF Loans; and (b) any Subordinated Debt Step-Up Amount.
"**Subordinated ICL Loans**"	means ICL Loans having the Primary Debt Rank of Subordinated Debt.
"**Subordinated Notes**"	means any Class of Notes designated as such pursuant to a Final Terms (with the ranking in point of security among Classes of Subordinated Notes being determined in accordance with the Security Trust and Intercreditor Deed and specified in the relevant Final Terms on the basis of the agreement reached in accordance with the Common Terms Agreement (see paragraph (c) of the section entitled "*— Ranking of Financial Indebtedness*", page 106, above)).
"**Subscription Agreement**"	means an agreement supplemental to the Dealership Agreement substantially in the form set out in Schedule 7 (Pro Forma Subscription Agreement) to the Dealership Agreement or in such other form as may be agreed between, *inter alios*, the Issuer and the relevant Dealer(s).
"**Supplemental Standard Securities**"	means each first ranking standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970 granted over a Scottish Property substantially in the form set out in a Schedule to the Security Trust and Intercreditor Deed, entered into after the Exchange Date.
"**Supplement to the Base Prospectus**"	means a supplement to this Base Prospectus prepared in accordance with Article 23 of the EU Prospectus Regulation and which has been approved by the Central Bank or, where the context requires, such a supplement which has been prepared for approval by the Central Bank.

"**Surrender**"	means the surrender of any Leasing Agreement or other voluntary disposal or relinquishment of the right to receive Rental Income (or analogous payments) from any Occupier (and "**surrendered**" shall be construed accordingly).
"**Surrender Amount**"	means, in respect of any Surrender, the aggregate net present value of each lease payment foregone as a result of such Surrender, which shall be calculated in respect of each such payment by applying a reinvestment rate certified in writing by two Authorised Signatories to the Obligor Security Trustee as being available in respect of amounts credited to the Income Replacement Account (which may be a special rate agreed with the Account Bank in respect of the particular Surrender Amount).
"**Surrender Threshold**"	means, as at any date, 2% of the Passing Rent projected to be receivable from the Estate (as determined by the Obligors as of the most recent Tier Test Calculation Date over the period of 12 months commencing on such Calculation Date).
"**Swap Agreement**"	means an agreement between an Obligor and a Swap Counterparty for the purpose of effecting one or more Swap Transactions.
"**Swap Collateral Account**"	means, in relation to a Swap Agreement, an account designated as a "**Swap Collateral Account**", held in the name of the Obligor which is party to the Swap Agreement and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account as may be opened with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank to replace such designated account(s).
"**Swap Counterparties**"	means any swap counterparties with which any Obligor enters into any Swap Agreement, and "**Swap Counterparty**" means any one of them.
"**Swap Counterparty Downgrade**"	means the short term or long term unsecured, unsubordinated and unguaranteed debt obligations of a Swap Counterparty being rated below the Swap Counterparty Minimum Short Term Ratings or the Swap Counterparty Minimum Long Term Ratings, respectively (and, in the case of a downgrade by S&P or Fitch, as a result of such downgrade the then current rating of any Sub-Class of Notes is downgraded or placed under review for possible downgrade by S&P or Fitch, as applicable).

"**Swap Counterparty Minimum Long Term Ratings**"	means:

(a) for any Swap Counterparty where the Swap Transaction is an interest rate swap or similar, that the long term unsecured, unsubordinated and unguaranteed debt obligations of such Swap Counterparty are rated at least BBB- by S&P, A1 by Moody's and A by Fitch (whichever of them are Rating Agencies at the relevant time), or such other rating as may be agreed with the relevant Rating Agency from time to time;

(b) for any Swap Counterparty where the Swap Transaction is a currency swap or similar, that the long term unsecured, unsubordinated and unguaranteed debt obligations of such Swap Counterparty are rated at least BBB- by S&P, A1 by Moody's and A+ by Fitch (whichever of them are Rating Agencies at the relevant time), or such other rating as may be agreed with the relevant Rating Agency from time to time; or

(c) for any Swap Counterparty where the Swap Transaction is not an interest rate swap, a currency swap or similar, that the long term unsecured, unsubordinated and unguaranteed debt obligations of such Swap Counterparty have such rating as may be agreed with the relevant Rating Agency from time to time.

"**Swap Counterparty Minimum Short Term Ratings**"	means:

(a) for any Swap Counterparty where the Swap Transaction is an interest rate swap or similar, that the short term unsecured, unsubordinated and unguaranteed debt obligations of such Swap Counterparty are rated at least A-1 by S&P, P-1 by Moody's and F1 by Fitch (whichever of them are Rating Agencies at the relevant time), or such other rating as may be agreed with the relevant Rating Agency from time to time;

(b) for any Swap Counterparty where the Swap Transaction is a currency swap or similar, that the short term unsecured, unsubordinated and

unguaranteed debt obligations of such Swap Counterparty are rated at least A-1+ by S&P, P-1 by Moody's and F1 by Fitch (whichever of them are Rating Agencies at the relevant time), or such other rating as may be agreed with the relevant Rating Agency from time to time; or

(c) for any Swap Counterparty where the Swap Transaction is not an interest rate swap, a currency swap or similar, that the short term unsecured, unsubordinated and unguaranteed debt obligations of such Swap Counterparty have such rating as may be agreed with the relevant Rating Agency from time to time.

"**Swap Excluded Amount Account**" means, in relation to a Swap Agreement, an account designated as a "**Swap Excluded Amount Account**", held in the name of the Obligor which is party to such Swap Agreement and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement, or such other account as may be opened with the consent of the Obligor Security Trustee, at any branch of the Account Bank or at an Eligible Bank to replace such designated account(s).

"**Swap Excluded Amounts**" means:

(a) amounts standing to the credit of any Swap Collateral Account;

(b) an amount equal to any tax credit received by an Obligor in respect of any additional payment made by a Swap Counterparty in accordance with the terms of the applicable Swap Agreement as a result of the imposition of tax upon the payment due from such Swap Counterparty; and

(c) any premium received by an Obligor from a replacement Swap Counterparty providing a replacement Swap Transaction.

"**Swap Excluded Obligation**" means, in accordance with the terms of any Swap Agreement, any obligation of the Obligor party thereto to the applicable Swap Counterparty to: (i) return collateral equivalent to that provided by such Swap Counterparty; or (ii) pay an amount equal to any tax credit received by such Obligor in respect of any additional payment made by the

	Swap Counterparty as a result of the imposition of tax upon the payment due from such Swap Counterparty.
"**Swap Subordinated Amounts**"	means any amount due to a Swap Counterparty from any Obligor on termination of a Swap Agreement due to the occurrence of (i) an event of default where the relevant Swap Counterparty is the defaulting party or (ii) any termination event due to a Swap Counterparty Downgrade.
"**Swap Termination Amounts**"	means any amount due to a Swap Counterparty from any Obligor on termination of a Swap Agreement, but excluding any amount which constitutes a Swap Subordinated Amount.
"**Swap Transaction**"	means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against fluctuations in any interest rate or currency price or inflation.
"**T1 Covenant Regime**"	means the covenant regime that will apply under the Common Terms Agreement if none of the T1 Thresholds are breached at the relevant time. See "— *Determining the Applicable Covenant Regime*", page 133, and "— *Applicable Covenants*", page 135, above.
"**T1 Covenants**"	means the covenants described in "— *T1 Covenants*", page 136, above.
"**T1 Threshold**"	means, in the case of: (a) LTV and Additional LTV, 55% (or 50% if the relevant Calculation Date falls within a Change of Control Period); and (b) Historical ICR, Pro Forma Historical ICR, Projected ICR and Additional Projected ICR, 1.85:1.
"**T2 Covenant Regime**"	means the covenant regime that will apply under the Common Terms Agreement if any of the T1 Thresholds, but none of the T2 Thresholds, are breached at the relevant time. See "— *Determining the Applicable Covenant Regime*", page 133, and "— *Applicable Covenants*", page 135, above.
"**T2 Covenants**"	means the covenants described in "— *T2 Covenants*", page 149, above.

"**T2 Threshold**"	means, in the case of: (a) LTV and Additional LTV, 65% (or 60% if the relevant Calculation Date falls within a Change of Control Period and, earlier in that Change of Control Period, the LTV was less than 60%); and (b) Historical ICR, Pro Forma Historical ICR, Projected ICR and Additional Projected ICR, 1.45:1.
"**T3 Covenant Regime**"	means either the Initial T3 Covenant Regime or the Final T3 Covenant Regime.
"**T3 Covenants**"	means the Initial T3 Covenants and the Final T3 Covenants.
"**T3 Prepayment Provision**"	means the provision of the Common Terms Agreement that will require the Obligors to Prepay Non-Contingent Loans in accordance with the most recent Amortisation Schedule for so long as a T3 Covenant Regime applies. See "— *While a T3 Covenant Regime applies*", page 120, above.
"**Talons**"	has the meaning given to that term in Condition 1(b) (*Title*).
"**TARGET2 System**"	means the Trans-European Automated Real Time Gross Settlement Express Transfer System.
"**Tax**"	means any present or future tax, levy, impost, duty or other charge or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed, collected or assessed by, or payable to a Tax Authority other than any non-domestic rates (as imposed by the Local Government Finance Act 1992) and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly.
"**Tax Authority**"	means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function with respect to Tax (including HMRC).
"**Tax Deed of Covenant**"	means the deed of covenant dated 3 November 2004 and entered into between, *inter alios*, the Issuer, the Obligors, Land Securities Group PLC, the Cash Manager, the Note Trustee and the Obligor Security Trustee.

"**Tax Reserve Accounts**"	means the General Tax Reserve Account and the Specific Tax Reserve Account.
"**TEFRA C Rules**"	means United States Treasury Regulation § 1.163 – 5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010.
"**TEFRA D Rules**"	means United States Treasury Regulation § 1.163 – 5(c)(2)(i)(D) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010).
"**Temporary Global Note**"	means, in relation to any Series, a temporary global note in the form or substantially in the form set out in Part A (Form of Temporary Global Note) of Schedule 3 to the Trust Deed.
"**Tenant Concentration Limit**"	means a limit imposed by the Common Terms Agreement on the percentage of Rental Income that may be receivable from any Single Tenant. See "— *Tenant concentration limit*", page 138, above.
"**Term ICL Loans**"	means the Initial ICL Loans and any other ICL Loan which is not a Revolving ICL Loan.
"**Tier Determination Date**"	means, in respect of the Tier Tests, the date upon which such Tier Tests are conducted (being no later than the latest date on or by which the relevant Calculation Certificate in respect of such Tier Tests is required to be delivered).
"**Tier Test Calculation Dates**"	means each Scheduled Calculation Date and Optional Calculation Date.
"**Tier Tests**"	means the calculation of the LTV, the Projected ICR and (if the Obligors have elected or are required to calculate it as of the relevant date) the Historical ICR.
"**Tier Threshold**"	means the T1 Threshold, the T2 Threshold or the Initial T3 Threshold.

"**Title Overview Reports**" has the meaning given to it in "— *Investigations of Title*", page 55, above.

"**Total Collateral Value**" means, at any time, the aggregate of the value of all Further Credit Assets (as determined in accordance with such criteria as have been agreed with the Rating Agencies as of that time) and the market value of the Estate as shown in the most recent Valuation Report on the Estate, in the latter case, as adjusted to take account of:

(a) in respect of any Mortgaged Property (other than a Trading Property) valued in connection with the most recent Valuation Report on the Estate which has been Disposed of by an Obligor after the date thereof, by deducting the Market Value of such Mortgaged Property;

(b) in respect of any Mortgaged Property (other than a Trading Property) added to, and remaining in, the Estate since the most recent Valuation Report on the Estate, by adding the Market Value of such Mortgaged Property;

(c) in respect of any Mortgaged Property (the legal and beneficial title of which is owned by an Obligor which has ceased to be under Common Control), by deducting the Market Value attributable to each of such Mortgaged Properties valued in connection with the most recent Valuation Report on the Estate;

(d) in relation to any Development Projects, by adding an amount equal to all costs of development spent by the Obligors in respect of such Development Projects since the date of the most recent Valuation Reports for such Development Projects (as determined by the Obligors using the most recent information available to them, which information shall in any case be no older than the information set out in the most recently available month-end management accounts of the Security Group), provided that the Development Test is satisfied as of the most recent Tier Test Calculation Date;

(e) in relation to any Mortgaged Property which is a Trading Property, by adding the Market Value of such Trading Property; and

(f) in relation to any Mortgaged Property in respect of which the Obligors have actual knowledge that the Agreed Form of Security does not exist in favour of the Obligor Security Trustee or any Forfeiture Risk Property, by deducting the Market Value of such Mortgaged Property,

provided that, for the purposes of (d) above, if the Development Test is not satisfied as of the most recent Tier Test Calculation Date, the Market Values of certain of the relevant Development Projects shall be reduced to the relevant site value, which, in such circumstances, shall be requested by the Obligors of the Valuers as an update to the latest Valuation Report(s) for such Development Projects. The Development Projects whose Market Value will be reduced will be those selected by the Obligors, but on the basis that the Development Test must be met in relation to the remaining Development Projects and provided further that, for the purposes of the Calculation Tests and the Development Test only:

(i) Total Collateral Value shall be adjusted by deducting from it the aggregate of the Deduction Amounts for each Relevant Obligor;

(ii) "**Relevant Obligor**" means an Obligor identified as such by the Principal Obligor which:

(1) is not a holding company or an intermediate holding company;

(2) on the basis of its Latest Accounts, has unsecured creditors in excess of £2,000 (subject to Indexation); and

(3) owns Additional Assets,

provided that any Obligor which was a Relevant Obligor according to its Latest Accounts but has ceased to be an Obligor before the relevant Calculation Date shall be disregarded.

"**Trading Property**" means a Mortgaged Property or Nominated Eligible Property which has been designated as such by the Principal Obligor pursuant to a notice in writing to the Obligor Security Trustee.

"**Transaction Document**"	means an Issuer Transaction Document or an Obligor Transaction Document.
"**Transaction Indexation**"	means Indexation but replacing the number 1 in that definition with 3/5.
"**Transaction LTV**"	means the LTV calculated assuming that the Security Group has borrowed on the date of calculation an amount equal to the Deemed Tax Borrowings.
"**Transaction LTV Calculation Date**"	means, in summary, in relation to a transaction in relation to which the Transaction LTV Test is required to be run, a date prior to (but not more than 10 Business Days prior to) the date on which any Obligor either: (a) effects a disposal outside of the CGT Group (which shall for these purposes include the crystallisation of a Degrouping Charge) in respect of which the Disposal Tax is in excess of £25,000,000 (subject to Indexation), resulting in the aggregate amount of Disposal Tax within the Security Group in respect of disposals exceeding £50,000,000 (subject to Transaction Indexation); or (b) enters into (or is treated for the purposes of the Transaction LTV Test as entering into) a Specified Arrangement where the aggregate unpaid Transaction Tax in respect of that and any other Specified Arrangements previously entered into by member(s) of the Security Group is in excess of £50,000,000 (subject to Transaction Indexation).
"**Transaction LTV Test**"	means the calculation of the Transaction LTV.
"**Transaction Tax**"	means, in summary, a potential saving of Tax on the part of any member or members of the Security Group in respect of a Specified Arrangement which is not supported by a satisfactory legal opinion to the standard, and issued by a law firm or QC of the standing or (in relation to VAT) a firm of accountants stipulated in the Tax Deed of Covenant, the amount thereof in relation to any particular Specified Arrangement to be computed in accordance with the Tax Deed of Covenant.
"**Transfer Agents**"	means the Principal Transfer Agent and any other transfer agent appointed from time to time, subject to and in accordance with the Agency Agreement.

"**Trust Declaration**"	means any agreement setting out the terms whereby two Trustees of Land which are Obligors hold the title to a Mortgaged Property for the Obligor that owns such Mortgaged Property beneficially.
"**Trust Deed**"	means the trust deed dated 3 November 2004 and entered into between the Issuer and the Note Trustee as amended, supplemented and restated from time to time.
"**Trust Property**"	means, in respect of any Nominee, those Mortgaged Properties held by such Nominee as a Trustee of Land for a Relevant Member pursuant to the RM Security Structure Documents.
"**Trustee of Land**"	means a person appointed, jointly with one or more other persons, as a trustee of land (as that phrase is interpreted under the Trusts of Land and Appointment of Trustees Act 1996).
"**UD Headroom Test**"	means the test, conducted from time to time in accordance with the Common Terms Agreement, pursuant to which it will be determined whether certain proposed drawings of Unsecured Debt are Permitted Drawings, as described in **"—** *Permitted Financial Indebtedness*", page 108, above..
"**UK CRA Regulation**"	means Regulation (EU) No 1060/2009 as it forms part of domestic law by virtue of the EUWA.
"**UK MiFIR**"	means Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.
"**UK PRIIPs Regulation**"	means Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA.
"**UK Prospectus Regulation**"	means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.
"**Undivided Property**"	has the meaning given to it in "— *Division of Mortgaged Properties*", page 95, above;.
"**Unsecured Debt**"	means Financial Indebtedness incurred by any Obligor that is not Secured Financial Indebtedness.
"**Unsecured Debt Limit**"	means, on any date, the higher of (a) £150,000,000 and (b) 2% of the Total Collateral Value as at that date.

"**Valuation Haircut**"	means the discount agreed with the Rating Agencies and applied to the market value of FCAs to determine their contribution to the Total Collateral Value.
"**Valuation Report**"	means, in respect of a Mortgaged Property, the most recent report by the Valuers on the Market Value of such Mortgaged Property, as contained in either (a) the Valuation Report on the Estate, or (b) the Intermediate Valuation Report relating to that Mortgaged Property (if any), whichever is the more recent, and, in respect of a Nominated Eligible Property, the most recent report by the Valuers on the Market Value of such Nominated Eligible Property in the valuation report by the Valuers in relation to such Nominated Eligible Property dated not more than 12 months before the Mortgage Date in respect of such Mortgaged Property which shall in all cases specify the applicable Sector(s) and Region for such Mortgaged Property.
"**Valuation Report on the Estate**"	means the most recent valuation report issued by the Valuers with respect to the Estate as at the date thereof provided that, in each case, it shall have been duly delivered to the Obligor Security Trustee in accordance with the Common Terms Agreement.
"**Valuers**"	means Knight Frank LLP, Jones Lang LaSalle, CB Richard Ellis, DTZ, Cushman & Wakefield Healey & Baker, King Sturge, Weatherall Green & Smith FPD Savills, Capital Retail Property Consultants, Strutt & Parker and Allsop in each case including successors to such firms or any firm arising as a result of a merger entered into by one or more of these firms or such other valuer instructed by the Obligors as may have been approved by the Obligor Security Trustee and "**Valuer**" means any one of the foregoing.
"**Zero Coupon Notes**"	means Notes (other than Class R Notes) designated as such in the relevant Final Terms which do not bear interest.

SCHEDULE 1
DETAILS OF OBLIGORS AS AT THE DATE OF THIS BASE PROSPECTUS

OBLIGOR	REGISTERED NUMBER	PLACE OF INCORPORATION
Land Securities Intermediate Limited	05075691	England
Land Securities PLC	00551412	England
LS Portfolio Investments Limited	04161225	England
LS Property Finance Company Limited	05163698	England
LS Nominees Holdings Limited	05196142	England
Land Securities (Finance) Limited	00680609	England
Land Securities Portfolio Management Limited	03934750	England
LS Qam Limited	04089272	England
Dashwood House Limited	02514081	England
LS1 Sherwood Street Developer Limited	04364857	England
Gunwharf Quays Limited	04056210	England
LS Hotels Limited	06046966	England
Land Securities Buchanan Street Developments Limited	06123111	England
Land Securities Trinity Limited	06316299	England
LC25 Limited	04364850	England
LS Aldersgate Limited	04161727	England
LS 123 Victoria Street Limited	04165886	England
LS Entertainment Venues Limited	04161721	England
LS (Bracknell) Limited	05164680	England

LS Cardinal Limited	07409594	England
LS City Gate House limited	05656326	England
LS City & West End Limited	05257941	England
LS Finchley Road Limited	04699931	England
LS Galleria Limited	04166047	England
LS Hill House Limited	04163702	England
LS (Jaguar) GP Investment Limited	07198404	England
LS Kingsmead Limited	07699874	England
LS Lewisham Limited	02235021	England
LS London Holdings One Limited	06452679	England
LS 105 Sumner Street Developer Limited	05740340	England
LS One New Change Limited	04165856	England
LS Red Lion Court Limited	04165757	England
LS Red Lion Court Developer Limited	04165763	England
LS Retail Warehouses Limited	05257942	England
LS Taplow Limited	01756963	England
LS Eastbourne Terrace Limited	04161239	England
LS Times Square GP Limited	06132467	England
HEFC Soho 2 Limited	06132894	England
LS 62 Buckingham Gate Limited	05257943	England
LS Forge Bankside Limited	04161299	England
LS Victoria Properties Limited	06453012	England
LS 60-78 Victoria Street Limited	04161307	England
LS N2 Limited	04089238	England

LS Workington Limited	04995566	England
Ravenseft Properties Limited	00471606	England
LS Thanet Limited	01015140	England
City of London Real Property Company Limited (The)	00001160	England
LS 1 New Street Square Limited	08195218	England
LS Ludgate Development Limited	07666354	England
LS Kings Gate Residential Limited	08277661	England
LS 1 New Street Square Developer Limited	08255539	England
LS Nova GP Investments Limited	07801923	England
LS Nova Development Management Limited	07802109	England
LS Nova LP1 Limited	07801730	England
LS Nova LP2 Limited	07801708	England
LS Old Broad Street Limited	08591959	England
Harbour Exchange Propco Limited	06433018	England
LS Zig Zag Limited	08465672	England
Greenhithe Holdings Limited	115006	Jersey
Greenhithe Investments Limited	115005	Jersey
Blueco Limited	03196199	England
LS Braintree Limited	04161200	England
LS Castleford Limited	04161209	England
LS Cardiff Holdings Limited	08075096	England
LS Buchanan Limited	02307553	England
LS Street Limited	04163808	England

LS Tottenham Court Road Limited	04161216	England
LS Moorgate Limited	04161241	England
LS Cardiff Limited	4161202	England
LS Cardiff (GP) Investments Limited	6975211	England
Land Securities Lakeside Limited (formerly known as LS Retail Director Limited)	04299277	England
LS Chesterfield Limited (formerly known as Markham Rd (Chesterfield) (No. 2) Limited)	04163804	England
LS White Rose Limited (formerly known as 20 Gillingham Street Ltd)	06426863	England
LS 1 Sherwood Street	04161279	England
LS 25 Lavington Street Developer Limited (formerly QAM(2026))	6943184	England
LS Myo Limited	11726628	England
LS Southside Limited	5026818	England
LS Leisure Parks Investments Limited	7938240	England
LS Shepherds Bush Limited	01989903	England
LS Chadwell Heath Limited	6123123	England
LS Lavington Street Ltd	7243257	England
LS Xscape Milton Keynes Limited	4166100	England
LS Xscape Castleford Limited	4166093	England
LS Bexhill Ltd	4161221	England
LS Portland House Developer Limited	7974015	England
Nova Developer Limited	12257413	England
LS Great North Finchley Limited	4161295	England
LS Aberdeen Limited	4161303	England

LS West India Quay Ltd	3585923	England
LS 21 Moorfields Limited	8072492	England
LS 21 Moorfields Development Management Limited	8072478	England
LS Company 11 Limited/LS Nova Place Limited	9101187	England
LS Dundas Square Limited	4699933	England
LS Myo New Street Square Limited	13405779	England
LS Ewer Street Limited	12858532	England
LS Oval Limited	12882187	England
LS MYO 123 Victoria Street Limited	13474795	England
LS MYO Dashwood House Limited	13474812	England
LS Project 92 Limited	13481748	England
Deptford Project Limited	5537144	England
Deptford Project 2 Limited	9010341	England
U and I (Innovation Hubs) Limited	12214178	England
U and I IPA Limited	12795817	England
U and I IPA SC Limited	12798332	England
U and I IPB Limited	9907089	England
LS Old Broad Street Developer Limited	4165773	England
LS Development Holdings Limited	13692104	England
LS Liberty of Southwark Limited	7936141	England

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