

**AGENCY AGREEMENT**

made on

25 January 2007

between

**FIRST FLEXIBLE (NO.7) PLC**

as the Issuer

**CITIBANK, N.A., LONDON BRANCH**

as the Principal Paying Agent and the Reference Agent

and

**CITICORP TRUSTEE COMPANY LIMITED**

as the Trustee

relating to

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**Issue of:**

**GBP 260,500,000 Class A Mortgage Backed Notes due 2033**

**GBP 4,050,000 Class B Mortgage Backed Notes due 2033**

**GBP 4,050,000 Class C Mortgage Backed Notes due 2033**

**By the Issuer**

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**THIS AGENCY AGREEMENT** is made on 25 January 2007

**BETWEEN:**

- (1) **FIRST FLEXIBLE (NO.7) PLC** (the "**Issuer**" or the "**Company**"), (registered number 04579544), a company incorporated under the laws of England and Wales whose registered office is at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE;
- (2) **CITIBANK, N.A., LONDON BRANCH** acting through its London office at Citigroup Centre, 21<sup>st</sup> Floor, Canada Square, Canary Wharf, London E14 5LB as principal paying agent for the Notes referred to below (the "**Principal Paying Agent**" and the "**Reference Agent**", which expressions shall, wherever the context so admits, include any successor principal paying agent and reference agent for the time being appointed under this Agreement);
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, acting through its principal London office at Citigroup Centre, 14<sup>th</sup> Floor, Canada Square, Canary Wharf, London E14 5LB as trustee for the Noteholders referred to below (the "**Trustee**", which expression shall wherever the context so admits, include any other trustee or trustees for the time being of the Trust Deed referred to below).

**IT IS AGREED** as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Incorporation of Defined Terms**

Terms defined in:

- 1.1.1 the terms and conditions of the Notes (the "**Conditions**") set out in Schedule 4 to the trust deed (the "**Trust Deed**") to be dated on or about the same date as this Agreement and made between the Issuer and the Trustee; or
- 1.1.2 in any of the Relevant Documents (as defined in Condition 3)

but not specifically defined in this Agreement shall, unless the context otherwise requires, have the same meanings when used in this Agreement and the recitals above.

1.2 **Other definitions**

In addition, in this Agreement:

"**Agents**" means, in relation to the Issuer, the Principal Paying Agent and the Reference Agent, initially appointed pursuant to this Agreement, or, if applicable, any successors in relation to those roles;

"**Authorised Denominations**" means, in relation to the Notes, denominations of, in the case of any class of the Notes, £50,000; each holding of Notes must be an integral multiple of £1,000 and for not less than the relevant minimum denomination;

**"Paying Agents"** means the Principal Paying Agent initially appointed as paying agent pursuant to this Agency Agreement or, if applicable, any additional paying agent or paying agents and any successor paying agents;

**"Priority of Payments"** means, as applicable, the Revenue Priority of Payments, the Principal Priority of Payments and the Enforcement Priority of Payments (each as defined in Condition 2);

**"Noteholder Meeting"** means a meeting of Noteholders (whether originally convened or reviewed following an adjournment); and

**"Specified Office"** means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in Schedule 1 (*Specified Offices*) or such other specified office as may be notified to the Issuer and the Trustee pursuant to this Agreement.

**1.3 Successors and assigns**

References in this Agreement to any person shall include references to his successors, transferees and permitted assigns and any person deriving title under or through him.

**1.4 References to legislation include amendments etc**

References in this Agreement to any statute or statutory provision shall be deemed also to refer to any statutory modification or new enactment thereof and to any statutory instruments, orders or regulations made thereunder or under any such re-enactment.

**1.5 References to documents include amendments etc**

References to any document (including this Agreement) shall be deemed to be references to such document as from time to time amended, supplemented, modified or replaced (in whole or in part), but disregarding any amendment, supplement, modification or replacement taking place in breach of the terms of this Agreement or the Trust Deed.

**1.6 Reference to a Note**

Where the context permits, references in this agreement to a **"Note"** shall mean, while any of the Notes are represented by a Global Note, such Global Note, and while any of the Notes are represented by one or more Definitive Notes, such Definitive Notes.

**2. APPOINTMENT OF THE AGENTS**

**2.1 Appointment**

Upon and subject to the terms of this Agreement, the Issuer and, for the purposes of Clause 9 (*Agents to act for Trustee*) only, the Trustee hereby appoint, for the purposes specified in, and to carry out their respective duties under, this Agreement and under the Conditions on a several but not joint basis:

2.1.1 the Principal Paying Agent acting through its Specified Office as principal paying agent in respect of the Notes; and

2.1.2 the Reference Agent acting through its Specified Office as reference agent for the purpose of determining interest payable in respect of the Notes.

**2.2 Obligations of Agents**

The obligations of the Agents under this Agreement shall be several and not joint.

**2.3 Acceptance of appointment by the Principal Paying Agent and Reference Agent**

Each of the Principal Paying Agent and the Reference Agent accepts its appointment as agent of the Issuer and, for the purpose of Clause 9 (*Agents to act for Trustee*) only, the Trustee in relation to the Notes and agrees to comply with the provisions of this Agreement and to perform its duties under the Conditions.

**3. AUTHENTICATION OF THE NOTES**

**3.1 Execution and Authentication**

The Notes shall be executed manually or in facsimile by an authorised signatory of the Issuer and authenticated manually by or on behalf of the Principal Paying Agent. No Note shall be valid for any purpose until it has been authenticated by or on behalf of the Principal Paying Agent in accordance with this Agreement and the Trust Deed.

**3.2 Authority to Authenticate**

The Issuer authorises and instructs the Principal Paying Agent to authenticate manually the Temporary Global Notes and the Permanent Global Notes, each Definitive Note and each replacement Definitive Note by the signature of any of its officers or any other person duly authorised for the purpose by the Principal Paying Agent.

**3.3 Global Notes**

3.3.1 The initial principal amount of each Global Note relating to a class of the Notes will equal the aggregate initial principal amount of each Note in the class of Notes represented by that Global Note. Each Global Note shall be substantially in the relevant form set out in Schedules 1 (*Form of Temporary Global Note*) and 2 (*Form of Permanent Global Note*) to the Trust Deed.

**3.4 Instruction to Exchange Interests**

The Issuer authorises and instructs the Principal Paying Agent to cause interests in the Temporary Global Notes to be exchanged for interests in the Permanent Global Notes in accordance with their respective terms.

**3.5 Availability of Permanent Global Notes**

The Issuer shall arrange for the unauthenticated Permanent Global Note duly executed on behalf of the Issuer and relating to each Temporary Global Note to be made available to or to the order of the Principal Paying Agent not later than ten days before the Exchange Date applicable in respect of such Temporary Global Note for exchange by the Principal Paying Agent for interests held in the corresponding Temporary Global Notes in accordance with the terms of such Temporary Global Notes.

**3.6 Definitive Notes**

Each Definitive Note shall:

- 3.6.1 be printed or typewritten in accordance with all applicable legal and stock exchange requirements;
- 3.6.2 be in substantially the form set out in Schedule 3 (*Form of Definitive Note*) to the Trust Deed;
- 3.6.3 be in an Authorised Denomination; and
- 3.6.4 bear a unique serial number.

**3.7 Availability of Definitive Notes**

If the Issuer is required to deliver Definitive Notes pursuant to the terms of the Permanent Global Notes and Clause 5 (*Notification of Issue of Definitive Notes*) of the Trust Deed, the Issuer shall arrange for the appropriate aggregate principal amount of unauthenticated Definitive Notes (together with the related Coupons, Receipts and Talons) equal to the Principal Amount Outstanding of each Class of the Permanent Global Notes to be made available to or to the order of the Principal Paying Agent as soon as practicable and in any event not later than thirty days after a bearer of a Permanent Global Note has requested its exchange for Definitive Notes, **provided that** each Definitive Note will only have attached to it such Coupons, Receipts and Talons as will ensure that neither loss nor gain of principal or interest shall accrue to the holder thereof.

**3.8 Facsimile Signatures on Notes**

The Issuer may use for the purposes of executing any Note, the facsimile signature of any person who at the date of this Agreement was duly authorised to sign the same on behalf of the Issuer, even if at the time of issue of such Note, such person no longer holds (for whatever reason including death) the relevant office and any Note so executed and authenticated will be valid and binding obligations of the Issuer.

**4. EXCHANGES OF GLOBAL NOTES AND DELIVERY OF DEFINITIVE NOTES**

**4.1 Delivery of Permanent Global Note**

Subject to receipt by the Principal Paying Agent of an unauthenticated, executed Permanent Global Note, the Principal Paying Agent shall, against presentation or (as the case may be) surrender to it of the related Temporary Global Note and in accordance with the terms thereof, authenticate and deliver to the bearer of such Temporary Global Note, the related Permanent Global Note in the aggregate principal amount required by the terms of the Temporary Global Note or, if the Permanent Global Note has already been issued in exchange for part only of the Temporary Global Note, procure that such aggregate principal amount is noted in the schedule to the Permanent Global Note and procure the signature of such notation on its behalf.

**4.2 Annotation of Temporary Global Note and Permanent Global Note**

On each occasion on which a Permanent Global Note is delivered by the Principal Paying Agent in accordance with the terms hereof, or a further exchange of interests in the related Temporary Global Note for interests in a Permanent Global Note is made,

the Principal Paying Agent shall procure that there is noted in the respective schedules to the Temporary Global Note and the Permanent Global Note:

4.2.1 the aggregate principal amount of interests in the Permanent Global Note so delivered (the "**Relevant Principal Amount**");

4.2.2 the new aggregate principal amount of the Permanent Global Note (which shall be the previous principal amount thereof plus the Relevant Principal Amount); and

4.2.3 the remaining principal amount of the Temporary Global Note (which shall be the previous principal amount thereof minus the Relevant Principal Amount),

and shall procure the signature of such notation on its behalf.

4.3 **Cancellation of Temporary Global Notes**

Following the exchange of the last interest in each Temporary Global Note, the Principal Paying Agent shall cause such Temporary Global Note to be cancelled and delivered to the Issuer or as it may direct.

4.4 **Authentication and delivery of Definitive Notes**

Definitive Notes will only be issued in accordance with the terms of the Permanent Global Notes, this Agreement, the Conditions and the Trust Deed. Subject to receipt by the Principal Paying Agent of Definitive Notes, the Principal Paying Agent shall, against presentation or (as the case may be) surrender to it of a Permanent Global Note, authenticate and deliver the related Definitive Notes in the required aggregate principal amount to the bearer of such Permanent Global Note.

4.5 **Attachments of Coupons, Receipts and Talons**

Each Definitive Note shall on the date of its delivery have attached to it Coupons and Receipts (or Talons in lieu thereof) for each Interest Payment Date that falls after such date of delivery.

4.6 **Annotation of Permanent Global Notes upon exchange for Definitive Notes**

On each occasion on which Definitive Notes are delivered in exchange for a Permanent Global Note, the Principal Paying Agent shall procure that there is noted in the schedule to the Permanent Global Note:

4.6.1 the aggregate principal amount of Definitive Notes so delivered (the "**relevant principal amount**"); and

4.6.2 the remaining principal amount of the Permanent Global Note (which shall be the previous principal amount thereof minus the relevant principal amount),

and shall procure the signature of such notation on its behalf.

4.7 **Cancellation of Permanent Global Notes**

The Principal Paying Agent shall cancel or procure the cancellation of each Permanent Global Note when and if it has made full exchange thereof for Definitive Notes.

**5. REPLACEMENT NOTES, COUPONS, RECEIPTS AND TALONS**

**5.1 Availability of Replacements**

The Issuer shall, at the Principal Paying Agent's reasonable request, provide additional forms of the Definitive Notes, Coupons, Receipts and Talons duly executed by the Issuer (if required) to the Principal Paying Agent for the purpose of issuing replacement Definitive Notes, Coupons, Receipts and Talons in accordance with the terms of this Agreement.

**5.2 Authentication and Delivery**

The Principal Paying Agent shall, subject to and in accordance with Condition 11 (*Replacement of Notes*) and this Clause 5, cause to be authenticated (if required) and delivered any replacement Definitive Notes, Coupons, Receipts and Talons in accordance with the instructions of the Issuer which the Issuer may determine to issue in place of Definitive Notes, Coupons, Receipts and Talons which have been lost, stolen, mutilated, defaced or destroyed. The Principal Paying Agent shall give notice of the issue of such replacement Definitive Notes, Coupons, Receipts and Talons forthwith to the Issuer and the Trustee.

**5.3 Conditions of Replacement**

The Principal Paying Agent shall not issue any replacement Definitive Notes, Coupons, Receipts or Talons unless and until the applicant has:

5.3.1 paid such expenses and costs as may be incurred by the Principal Paying Agent or the Issuer in connection with the replacement;

5.3.2 furnished it with such evidence, security, indemnity or otherwise as the Issuer and/or the Principal Paying Agent may reasonably require; and

5.3.3 in the case of a mutilated or defaced Definitive Notes, Coupons, Receipts or Talons, surrendered it to the Principal Paying Agent.

**5.4 Replacements to be numbered**

Each replacement Definitive Note, Coupon, Receipt or Talon shall bear a unique certificate or (as the case may be) serial number.

**5.5 Cancellation**

The Principal Paying Agent shall cancel mutilated or defaced Definitive Notes, Coupons, Receipts and Talons in respect of which replacements have been issued pursuant to this Clause 5.

**5.6 Further Coupon or Receipt Sheets**

The Paying Agents shall issue further Coupon or Receipt sheets against surrender of the applicable Talon. A Talon so surrendered shall be cancelled by the relevant Paying Agent, who (except where such Paying Agent is the Principal Paying Agent) shall inform the Principal Paying Agent of its serial number. Further Coupon or Receipt sheets issued on the surrender of a Talon shall carry the same serial number as the surrendered Talon.



**5.7 Notification**

The Principal Paying Agent shall notify the Issuer, any other Paying Agents and the Trustee of the delivery by it of replacement Definitive Notes, Coupons, Receipts and Talons specifying the certificate or serial number (if any and if known) of the Definitive Notes, Coupons, Receipts or Talons which are replaced and confirming (if such is the case) that the Definitive Notes, Coupons, Receipts and Talons which are replaced are cancelled and destroyed in accordance with Clause 8.9 (*Destruction*).

**6. PAYMENTS TO THE PAYING AGENTS**

**6.1 Issuer to pay the Principal Paying Agent**

In order to provide for the payment of interest and principal in respect of the Notes as the same becomes due and payable in accordance with the Conditions and the Trust Deed, the Issuer shall pay to the Principal Paying Agent or otherwise cause the Principal Paying Agent to receive on or before the date on which such payment becomes due, an amount which is equal to the amount of principal and interest then falling due in respect of the Notes on such Interest Payment Date.

**6.2 Manner and Time of Payment**

The Issuer shall, not later than 12.30 p.m. (London time) on each Interest Payment Date, or other date on which any payment of principal and interest in respect of the Notes becomes due, unconditionally pay or cause to be unconditionally paid to the Principal Paying Agent by credit transfer such amounts in immediately available funds or, as the case may be, same day freely-transferable funds as may be required for the purpose of paying interest and (to the extent applicable) principal under the Notes (after taking account of any cash then held by the Paying Agents and available for the purpose), such amounts to be paid to the credit of such accounts of the Principal Paying Agent with such banks as shall be notified to the Issuer, any relevant Administrators and to the Trustee by the Principal Paying Agent in writing not less than two weeks before the first payment is due to be made to the Noteholders.

The Principal Paying Agent shall notify the Issuer, any relevant Administrators and/or the Trustee in writing, 15 Business Days prior to any change of those accounts, or any of them.

Such amounts received by the Principal Paying Agent under this Clause 6.2 shall be held in separately designated accounts for payment to the Noteholders and, failing such payment within the designated periods of prescription specified in Condition 8 (*Prescription*) or upon the bankruptcy, insolvency, winding up or liquidation of the Principal Paying Agent or default being made by the Principal Paying Agent in the payment of any amounts in respect of principal or interest in accordance with this Agreement, on trust for repayment to the Issuer, subject as provided in Clause 7.5 (*Repayment of undisbursed funds to Issuer*). Upon such repayment to the Issuer in accordance with Clause 7.5 such trust with respect to such funds shall terminate and all liabilities of the Principal Paying Agent with respect thereto shall cease. The Principal Paying Agent shall be entitled to retain for its own account any interest earned on the sums from time to time credited to the separate accounts referred to in this Clause 6.2.

**6.3 Confirmation of Amounts Payable in respect of the Notes**

The Issuer shall by not later than 2.00 pm (London time) the second Business Day before each Interest Payment Date, or other date on which any payment is due under Clause 6.2 (*Manner and Time of Payment*), notify, or procure the notification by any relevant Administrators or other person on behalf of the Issuer to, the Principal Paying Agent and the Trustee of the amount of interest and/or principal (as the case may be) payable to Noteholders in accordance with the Conditions in respect of each class of the Notes on the Interest Payment Date, or other date in question and the apportionment of such amount as between principal and interest. All such amounts shall be payable subject to and in accordance with the applicable Priority of Payments.

**6.4 Exclusion of Liens and Interest**

Save as expressly provided otherwise in this Agreement, the Paying Agents shall be entitled to deal with each amount paid to them under this Clause 6 in the same manner as other amounts paid to them as bankers by their customers; **provided, however**, that:

6.4.1 they shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof;

6.4.2 they shall not be liable to any person for interest thereon; and

6.4.3 funds received by the Paying Agents for the payment of any sums due in respect of any Notes shall be segregated only to the extent required by law.

**6.5 Application by Paying Agents**

The Paying Agents shall apply (or direct or cause the application of) each amount paid to them under this Clause 6 in accordance with Clause 7 (*Payments to Noteholders*) and shall not be obliged to repay any such amount other than as provided in this Agreement or unless the claim for the relevant payment becomes void under the Conditions in which event they shall repay to the Issuer such portion of such amount as relates to such payment, by paying the same by credit transfer in GBP to such account with such bank as the Issuer has by notice to the Paying Agents specified for the purpose.

**6.6 Notification if Funds Not Received on Interest Payment Date**

Each Paying Agent shall forthwith notify the Issuer, any relevant Administrators, the Trustee and the other Agents if it has not, by the due date of payment to it specified in Clause 6.2 (*Manner and Time of Payment*), received unconditionally the full amount required for any payment.

**6.7 Notice of payments by Principal Paying Agent to others**

The Principal Paying Agent shall forthwith notify by telex or facsimile (if appropriate) the other Paying Agents (if any) and the Trustee if the full amount payable for any payment of principal or interest in respect of the Notes shall not have been unconditionally received by it or to its order in accordance with this Agreement (or if the amount of interest payable on the Class B Notes and Class C Notes as a result of the application of Condition 4(b) is less than it would have been had such Condition not applied).

**6.8 Reimbursement by Principal Paying Agent to other Paying Agents**

The Principal Paying Agent shall on demand promptly reimburse the other Paying Agents (if any) for payments of principal and interest properly made by them in accordance with the Conditions and this Agreement. The Issuer shall not be concerned with the apportionment of any moneys between the Principal Paying Agent and the other Paying Agents (if any) and payment to the Principal Paying Agent of any moneys due to the Paying Agents shall operate as a good discharge to the Issuer in respect of such moneys.

**6.9 Notice of late payments by Principal Paying Agent**

If the Principal Paying Agent has not received on the due date for any payment of principal or of interest in respect of the Notes or any class of them the full amount of principal and interest then payable on such Notes in accordance with the relevant Conditions but receives such full amount later, it shall:

6.9.1 forthwith upon such full receipt so notify the other Paying Agents (if any) and the Trustee; and

6.9.2 as soon as practicable after such full receipt give due notice, in accordance with Condition 12 (*Notices*) (unless the Trustee agrees otherwise), to the relevant Noteholders that it has received such full amount.

**7. PAYMENTS TO NOTEHOLDERS**

**7.1 Payments in respect of Notes**

Each Paying Agent acting through its Specified Office shall make payments of interest and principal in respect of the Notes in accordance with the Conditions and so long as the Notes are evidenced by Global Notes, the terms thereof, **provided, however**, that:

7.1.1 no Paying Agent will make any payment of interest or principal in respect of any class of the Notes in an amount which is greater than the amount of interest or principal payable in accordance with the Conditions in respect of such class of Notes and notified to the Paying Agents in accordance with Clause 6.3 (*Confirmation of Amounts Payable in respect of the Notes*);

7.1.2 if any Note is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent shall as soon as is reasonably practicable notify the Issuer in writing of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and has received the amount to be so paid;

7.1.3 each Paying Agent shall cancel each Definitive Note, Coupon or Receipt against surrender of which it has made full payment and shall, in the case of a Paying Agent other than the Principal Paying Agent, deliver each Definitive Note, Coupon or Receipt so cancelled by it to, or to the order of, the Principal Paying Agent;

- 7.1.4 in the case of payment of principal or interest against presentation of the Temporary Global Note or the Permanent Global Note, the relevant Paying Agent shall procure that there is noted in the schedule to the Temporary Global Note or (as the case may be) the Permanent Global Note the amount of such payment and, in the case of payment of principal, the remaining principal amount of the Temporary Global Note or (as the case may be) the Permanent Global Note (which shall be the previous principal amount thereof minus the amount of principal then paid) and shall procure the signature of such notation on its behalf;
- 7.1.5 all payments in respect of the Notes will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as and then only to the extent required by applicable law, in which case each Paying Agent shall be entitled to make such deduction or withholding from any payment which it makes under this Agreement. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay any additional amounts in respect thereof; and
- 7.1.6 a Paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest if it has not received the full amount of any payment due to it under Clause 6 (*Payments to the Paying Agents*).

**7.2 Partial Payments**

If at any time and for any reason a Paying Agent makes a partial payment in respect of any Note, Coupon or Receipt presented for payment to it, such Paying Agent shall endorse thereon a statement indicating the amount and the date of such payment.

**7.3 Appropriation by Paying Agent**

If any Paying Agent makes any payment in accordance with Clause 7.1 (*Payments in respect of Notes*), it shall be entitled to appropriate for its own account out of the funds received by it under Clause 6.1 (*Issuer to pay the Principal Paying Agent*) an amount equal to the amount so paid by it.

**7.4 Reimbursement by Issuer**

If any Paying Agent makes a payment in respect of the Notes at any time at which the relevant Paying Agent has not received the full amount of the relevant payment due to it under Clause 6.1 (*Issuer to pay the Principal Paying Agent*) and that Paying Agent is not able out of the funds received by it under Clause 6.1 (*Issuer to pay the Principal Paying Agent*) to reimburse such Paying Agent therefor by appropriation under Clause 7.3 (*Appropriation by Paying Agent*), the Issuer shall from time to time on written demand pay to that Paying Agent for the account of such Paying Agent:

- 7.4.1 the amount so paid out by such Paying Agent and not so reimbursed to it; and
- 7.4.2 interest on such amount from the date on which such Paying Agent made such payment until the date of reimbursement of such amount,

**provided, however,** that any payment under Clause 7.4.1 shall satisfy *pro tanto* the Issuer's obligations under Clause 6.1 (*Issuer to pay the Principal Paying Agent*) and provided, further, that interest shall accrue for the purpose of Clause 7.4.2 (as well after as before judgment) on the basis of a year of 365 days and the actual number of days elapsed and at a rate per annum specified by the Paying Agents as reflecting its cost of funds for the time being in relation to the unpaid amount.

**7.5 Repayment of undisbursed funds to Issuer**

Forthwith upon any entitlement of any Noteholder to receive principal or interest becoming void pursuant to the relevant Conditions the Principal Paying Agent shall repay to the Issuer on demand the amount which would have been due in respect of such principal or interest if such amount had been paid before such entitlement became void, together with the fees applicable thereto (pro rated as to the amount and time) to the extent already paid pursuant to Clause 10 (*Fees and Expenses*). Notwithstanding the foregoing the Principal Paying Agent shall not be obliged to make any repayment to the Issuer so long as any amounts which should have been paid to or to the order of the Principal Paying Agent or, if applicable, the Trustee by the Issuer shall remain unpaid.

**7.6 Optional redemption of class(es) of Notes**

7.6.1 If the Issuer intends to redeem all (but not some only) of the Notes in the same class prior to their respective stated maturity date pursuant to Condition 5(c) (*Redemption for Taxation or Other Reasons*) or 5(d) (*Optional Redemption in Full*), it shall give not less than 10 days' advance notice thereof to the Principal Paying Agent and the Trustee, prior to giving the requisite period of notice to the relevant Noteholders in accordance with the relevant paragraphs of Condition 5 (*Redemption and Purchase*) and specifying the Principal Liability Outstanding of the Notes, the Principal Payment in relation to each Note to be paid and the date on which such Notes are to be redeemed.

7.6.2 The Principal Paying Agent shall, on receipt of such notice, give notice to the Noteholders of such intention to redeem, specifying the Principal Liability Outstanding of the Notes, the Principal Payment in relation to each Note to be paid and the date on which such Notes are to be redeemed and shall promptly and in accordance with the relevant Conditions on behalf of and at the expense of the Issuer publish the notices required in connection with such redemption.

**8. DUTIES OF AGENTS**

**8.1 Duties of the Reference Agent**

The Reference Agent shall perform such duties at its Specified Office as are set forth in this Agreement and in the Conditions and such other duties as are reasonably incidental thereto at the request of the Issuer or the Paying Agents (or for the purposes of Clause 9 (*Agents to act for the Trustee*), the Trustee) and agrees to comply with the provisions of Condition 4 (*Interest*). In particular and save as provided in this Agreement, the Reference Agent shall:

- 8.1.1 as soon as practicable at or about the Quotation Time in relation to each class of Notes on each Interest Determination Date relating to that class of Notes determine the Rate of Interest for that class of Notes for the relevant Interest Period and the Interest Payment in respect of each Note in that class of Notes on the Interest Payment Date falling at the end of such Interest Period, in each case in accordance with the Conditions;
- 8.1.2 promptly after determining the Rate of Interest applicable to each class of Notes for any period or the Interest Payment in respect of each Note in that class of Notes for any date in accordance with the Conditions, cause the Rate of Interest in respect of such class of Notes, the Interest Payment in respect of each Note in that class of Notes and the Interest Payment Date falling at the end of the relevant Interest Period to be notified to the Issuer, the Trustee, each Paying Agent, any relevant Administrator and the London Stock Exchange (or other stock exchange or, as the case may be, listing authority that it may be notified of pursuant to Clause 8.12 (*Listing*)), specifying the rates upon which the same are based and (where relevant) the names of the banks quoting such rates;
- 8.1.3 cause notice of the Rate of Interest and Interest Payments in respect of each class of Notes for each Interest Period and the related Interest Payment Date to be notified to the London Stock Exchange or any other stock exchange or, as the case may be, listing authority that it may be notified of pursuant to Clause 8.12 (*Listing*) and to be published in accordance with the Conditions;
- 8.1.4 save as expressly provided otherwise, carry out all other relevant calculations (if any) which the Conditions contemplate are to be carried out by the Reference Agent; and
- 8.1.5 maintain such records of the quotations obtained and all rates determined and all calculations made by it under this Agreement and the Conditions and make such records available for inspection at all reasonable times by the Issuer, any relevant Administrators, the other Agents and the Trustee.

**8.2 Duties of the Principal Paying Agent**

The Principal Paying Agent shall hold in safe custody all unauthenticated Global Notes, Definitive Notes, Coupons, Receipts and Talons delivered to it and shall ensure that they are authenticated (in the case of the Temporary Global Notes, Permanent Global Notes and the Definitive Notes) and delivered only in accordance with the terms of this Agreement, the Conditions and the Temporary Global Notes or (as the case may be) the Permanent Global Notes.

**8.3 Maintenance of Records**

Each of the Agents shall maintain records of all documents received by it in connection with its duties under this Agreement and shall make such records available for inspection at all reasonable times by the Issuer, the Administrator, the Trustee and the other Agents.

In particular, the Principal Paying Agent shall:

- 8.3.1 maintain a full and complete record of the Global Notes, Definitive Notes, Coupons, Receipts and Talons delivered hereunder and of their redemption, payment, cancellation, mutilation, defacement, alleged destruction, theft, loss or replacement (and, in the case of the Temporary Global Notes, exchange of interests therein for interests in the Permanent Global Notes, and, in the case of the Permanent Global Notes, exchange thereof for Definitive Notes), provided that no record need be maintained of the serial numbers of Coupons, save for the serial numbers of Coupons for which replacement Notes, Receipts and Coupons have been issued and for any subsequent payments against such Coupons;
- 8.3.2 maintain a record of all certifications received by it in accordance with Clause 8.5 (*Certifications*);
- 8.3.3 make such records available for inspection at all reasonable times by the Issuer, any relevant Administrator, the Trustee and the other Agents;
- 8.3.4 make copies of this Agreement, the Trust Deed and the Deed of Charge available for inspection at its Specified Office at all reasonable times;
- 8.3.5 as an agent of the Issuer, comply with all tax information reporting, withholding and backup withholding provisions of relevant jurisdictions, including the United States, with respect to payments payable by the Agent pursuant to the provisions herein; and
- 8.3.6 ensure that, in its capacity as an Agent of the Issuer, it will not engage in any activities in the United States (directly or through agents) that would cause the Issuer to be engaged or deemed to be engaged in a trade or business within the United States as determined under the United States income tax principles.

**8.4 Information from Agents**

The Agents shall make available to the other Agents such information as is reasonably required for the maintenance of the records referred to in Clause 8.3 (*Maintenance of Records*).

**8.5 Certifications**

Each Paying Agent shall promptly copy to the Issuer, any other Paying Agent and the Trustee any certifications received by it in accordance with or otherwise in relation to the Notes.

**8.6 Cancellation**

The Paying Agents shall:

- 8.6.1 procure that all Notes surrendered or delivered to it as (i) redeemed in full, (ii) mutilated or defaced, surrendered and replaced pursuant to the Conditions, or (iii) exchanged, shall forthwith be cancelled on behalf of the Issuer;

8.6.2 shall keep a record of the Principal Liability Outstanding of the Notes, and the serial numbers of the Notes, which are so cancelled by it; and

8.6.3 shall notify the other Paying Agents (if any) of all action taken pursuant to sub-Clauses 8.6.1 and 8.6.2.

**8.7 Forwarding of Communications**

Each Agent shall promptly forward to the Issuer and the Trustee a copy of any notice or communication addressed to the Issuer or the Trustee by any Noteholder and which is received by such Agent.

**8.8 Publication and Delivery of Notices**

The Principal Paying Agent shall, upon and in accordance with the instructions of the Issuer and the Trustee, arrange for the publication and delivery in accordance with the Conditions of any notice which is to be given to the Noteholders and shall promptly supply two copies thereof to the Trustee, the other Agents and the London Stock Exchange or other stock exchange on which the Notes are then listed (if any).

**8.9 Destruction**

The Principal Paying Agent may destroy:

8.9.1 a Temporary Global Note following its cancellation in accordance with Clause 4.3 (Cancellation of Temporary Global Notes);

8.9.2 a Permanent Global Note following its cancellation in accordance with Clause 4.7 (Cancellation of Permanent Global Notes); and

8.9.3 each Temporary Global Note, each Permanent Global Note and each Definitive Note, Coupon, Talon or Receipt delivered to or cancelled by it in accordance with sub-Clause 7.1.3 or cancelled in accordance with Clause 5.5 (*Cancellation*) or Clause 8.6 (*Cancellation*),

and in each case it shall, upon request, furnish the Issuer, the other Paying Agents and the Trustee with a certificate of destruction specifying the certificate or serial numbers (if any) of the Temporary Global Note or (as the case may be) the Permanent Global Note or Definitive Notes destroyed and specify the number of Coupons, Talons and Receipts so destroyed.

**8.10 Meetings of Noteholders**

Schedule 5 (*Provisions for Meetings of Noteholders*) of the Trust Deed shall apply to meetings of the Noteholders and shall have effect in the same manner as if set out in this Agreement.

**8.11 Voting Certificates and Block Voting Instructions**

In the event of a Noteholder Meeting, each Paying Agent shall, at the request of any Noteholder in accordance with the Trust Deed, make available uncompleted and unexecuted Voting Certificates and issue Block Voting Instructions in a form and manner which comply with the provisions of Schedule 5 (*Provisions for Meetings of*



*Noteholders*) to the Trust Deed (except that it shall not be required to issue the same less than forty-eight hours before the time for which the Noteholder Meeting or the poll to which the same relates has been convened or called).

Each Paying Agent shall keep a full record of completed and executed Voting Certificates and Block Voting Instructions issued or received by it and will give to the Issuer and the Trustee not less than twenty-four hours before the time appointed for any Noteholder Meeting or adjourned Noteholder Meeting, full particulars of duly completed Voting Certificates received by it and of all Block Voting Instructions issued by it in respect of such Noteholder Meeting or adjourned Noteholder Meeting.

#### 8.12 **Listing**

The Notes, on issue, are expected to be admitted to the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange. The Issuer will advise the Principal Paying Agent and the Trustee in writing if such listing is withdrawn or if the Notes become listed by any other listing authority or, as the case may be, admitted to trading on any other stock exchange.

#### 8.13 **Supply of copies of documents**

The Issuer shall provide to the Principal Paying Agent (for distribution among the Paying Agent(s), if any):

- 8.13.1 sufficient copies of all documents required by the Conditions or the Trust Deed to be available for issue or inspection;
- 8.13.2 in the event of a meeting of Noteholders or any class of them being called, forms of Voting Certificates and Block Voting Instructions, together with instructions from the Issuer (such instructions having previously been approved by the Trustee) as to the manner of completing, dealing with and recording the issue of such forms; and
- 8.13.3 if Definitive Notes are issued, specimens of the same.

### 9. **AGENTS TO ACT FOR TRUSTEE**

#### 9.1 **Actions of Agents after Notice by Trustee of an Event of Default**

At any time after an Event of Default (or any condition, event or act which, with the giving of notice and/or the lapse of time and/or the issue of a certificate, would constitute an Event of Default) in respect of the Notes shall have occurred (which shall not have been waived by the Trustee or remedied to its satisfaction) or at any time after Definitive Notes have not been issued when so required in accordance with the provisions of the Trust Deed, the Paying Agents and the Reference Agent shall, if so required by notice in writing given by the Trustee to the Issuer and the Agents (or such of them as are specified in such notice):

- 9.1.1 act thereafter, and until otherwise instructed by the Trustee, as the Agents of the Trustee on the terms *mutatis mutandis* provided in this Agreement (with consequential amendments as necessary and save that the Trustee's liability

under any provision in this Agreement contained for the remuneration indemnification and payment of out-of pocket expenses of such Agents shall be limited to the amount for the time being held by the Trustee on the trusts of the Trust Deed which is available to be applied by the Trustee for such purpose) and thereafter hold all Notes and all sums, documents and records held by them in their respective capacities in respect of the Notes on behalf of the Trustee; and/or

9.1.2 deliver up all Notes and all sums, documents and records held by them in respect of the Notes to the Trustee or as the Trustee shall direct in such notice,

provided that such notice shall be deemed not to apply to any document or record which any Agent is obliged not to release by any applicable law or regulation.

## 9.2 **Withdrawal of Notice**

The Trustee may, at any time if an Event of Default is remedied to the reasonable satisfaction of the Trustee during any applicable grace period, by notice in writing to the Issuer and the relevant Agents, withdraw any notice given by the Trustee pursuant to Clause 9.1 (*Actions of Agents after Notice by Trustee of an Event of Default*) whereupon such Agents shall act as agents of the Issuer in accordance with the terms hereof. The Trustee shall send the Principal Paying Agent a copy of any notice which the Trustee gives under this Clause 9.2 for notification to the Noteholders.

The withdrawal of any notice given by the Trustee pursuant to Clause 9.1 (*Actions of Agents after Notice by Trustee of an Event of Default*) shall not preclude the Trustee from issuing any other or further notices pursuant to that Clause on any subsequent occasion and at any time after the occurrence of an Event of Default, no notice given by the Trustee pursuant to Clause 9.1 (*Actions of Agents after Notice by Trustee of an Event of Default*) shall be withdrawn except at the absolute discretion of the Trustee.

## 9.3 **Trustee Notice**

The Trustee shall forthwith give notice to the Issuer and the Principal Paying Agent of any change in the person or persons comprising the Trustee.

## 10. **FEES AND EXPENSES**

### 10.1 **Fees**

The Issuer shall pay to each Agent, during the period when any of the Notes remains outstanding, such fees as have been agreed in writing between the Issuer and each Agent in respect of the respective services of each Agent under this Agreement (together with any amounts in respect of value added tax (against production of a valid tax invoice)). If any agent shall cease to be an Agent under this Agreement, it shall repay to the Issuer the unearned portion, calculated on a pro rata basis, of the said fees.

### 10.2 **Front-end Expenses**

The Issuer shall after receipt of an account of such expenses reimburse each Agent for all reasonable out-of-pocket expenses incurred by it in the negotiation, preparation and execution of this Agreement and for all reasonable expenses (including, without

limitation, reasonable legal fees and any communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services under this Agreement (together with any amounts chargeable thereon in respect of value added tax (against production of a valid tax invoice) to the extent that such value added tax is not recoverable by the relevant Agent or by any other member of a group of which it is a member for value added tax purposes by way of repayment credit or set-off); **provided that** such expenses shall not have been incurred as a result of the Agent's negligence, wilful misconduct or bad faith, other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 10.1 (*Fees*).

**10.3 Taxes and Expenses Occasioned by Default**

The Issuer shall pay all stamp, registration and other similar taxes, duties and governmental levies of whatsoever nature (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution, delivery and/or enforcement of this Agreement.

**10.4 Payment**

All amounts to be paid by the Issuer to any Agent under this Clause 10 shall only be payable in accordance with and subject to the applicable Priority of Payments which is applicable to the Issuer at the time of payment.

Unless expressly agreed otherwise by the relevant payee and the Issuer, the fees, payments and expenses payable under this Clause 10 shall be paid in pounds sterling and the Issuer shall in addition and subject to the provisions of this Clause 10 pay any value added tax which may be applicable.

**10.5 Issuer's liability for fees and expenses**

Save as provided in this Clause 10 or as expressly provided elsewhere in this Agreement, the Issuer shall have no liability in respect of any fees or expenses incurred by any Agent in connection with the performance of its obligations under this Agreement.

**10.6 Payment of commissions to Paying Agents**

The Principal Paying Agent shall arrange for payment of any commissions due to the other Paying Agents and arrange for the reimbursement of expenses due to them promptly upon receipt by the Principal Paying Agent of a demand therefor, supported by evidence of such expenditure, and provided that payment is made by the Issuer as required by Clause 10 and the Issuer shall not be concerned with or liable in respect thereof.

**11. TERMS OF APPOINTMENT**

**11.1 Rights and Powers of the Paying Agents**

11.1.1 The Paying Agents shall (except as ordered by a court of competent jurisdiction or as required by law) in connection with their services under this Agreement (whether or not the relevant Note or, as applicable, Coupon, Receipt or Talon shall be overdue and notwithstanding any notice to the

contrary or writing shown thereon or any notice of previous loss or theft or of trust or other interest therein) be entitled to treat the holder of any Note or, as applicable, Coupon, Receipt or Talon as the absolute owner of such Note or, as applicable, Coupon, Receipt or Talon for all purposes and (save as expressly provided under this Agreement) make payments thereon.

11.1.2 Each Agent may in connection with its services under this Agreement:

- (a) rely upon the terms of any notice, communication or other document reasonably believed by it to be genuine;
- (b) engage and pay for the advice or services of any lawyers or other experts (being an appointee who shall have been previously approved in writing by the Trustee) whose advice or services it considers necessary and rely upon any written advice so obtained (and such Agent shall be protected and shall incur no liability as against the Issuer in respect of any action taken, or suffered to be taken in good faith, in accordance with such advice except to the extent that such liability arises out of any breach of contract, bad faith, misconduct or negligence on the part of such Agent);
- (c) assume that the terms of each Global Note, Definitive Note, Coupon, Receipt or Talon as issued are correct;
- (d) refer any question relating to the ownership of any Global Note, Definitive Note, Coupon, Receipt or Talon or the adequacy or sufficiency of any evidence supplied in connection with the replacement, transfer or exchange of any Definitive Note, Coupon, Receipt or Talon to the Issuer for determination by the Issuer and in good faith conclusively rely upon any determination so made; and
- (e) whenever in the administration of this Agreement it shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, in the absence of bad faith or negligence or wilful misconduct on its part, accept a certificate signed by any person duly authorised on behalf of the Issuer as to any fact or matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof.

#### 11.2 **Provision of Specimen Signatures**

The Issuer will supply the Paying Agents with the names and specimen signatures of its Authorised Signatories.

#### 11.3 **Extent of Duties**

Each Agent shall only be obliged to perform the duties set out in this Agreement and such other duties as are necessarily incidental thereto. No Agent shall:

- 11.3.1 be under any fiduciary duty towards or have any relationship of agency or trust for or with any person other than the Issuer and (to the extent expressly provided in this Agreement only) the Trustee;
- 11.3.2 be responsible for or liable in respect of the authorisation, validity or legality or enforceability of any Global Note, Definitive Note, Coupon, Receipt or Talon (other than in respect of the authentication of a Note by it in accordance with this Agreement) or any act or omission of any other person including, without limitation, any other Agent (except to the extent that such liability arises out of any breach of contract, bad faith, misconduct or negligence on the part of any such Agent );
- 11.3.3 be under any obligation towards any person other than the Issuer, the other Agents and the Trustee; or
- 11.3.4 assume any relationship of agency or trust for or with any Noteholder.

**11.4 Freedom to Transact**

Each Agent may purchase, hold and dispose of any Global Note, Definitive Note, Coupon, Receipt or Talon and may enter into any transaction (including, without limitation, any depository, trust or agency transaction) with the Issuer or any holders or owners of any Global Note, Definitive Note, Coupon, Receipt or Talon or with any other party to this Agreement in the same manner as if it had not been appointed as the agent of the Issuer or the Trustee in relation to the Notes.

**11.5 Indemnity in favour of the Agents**

The Issuer shall indemnify each Agent against any loss, liability, cost, claim, action, demand or expense other than tax suffered by the Agent on its net income which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and performance of its duties under this Agreement, notwithstanding the resignation or removal of such Agent in accordance with Clause 13 (*Termination of Appointment*) (including, without prejudice to the generality of the foregoing, any liability in respect of payment of a cheque drawn by such Paying Agent where such cheque is collected or sued upon or an attempt at collection is made after the amount in respect of which it is paid shall have been returned to the Issuer pursuant to Clause 7.5 (*Repayment of undisbursed funds to Issuer*)), except such as may result from the breach by it of the terms of this Agreement or from its own wilful default, negligence or bad faith or that of its officers or employees, provided that this indemnity shall not apply in respect of any claim, action or demand made against an Agent unless, as soon as practicable after such Agent becomes aware thereof, it gives notice of the same to the Issuer and (if and whenever the Issuer so requires) takes such action or proceedings under the control and at the expense of the Issuer as the Issuer may reasonably require to avoid, resist or compromise such claim, action or demand.

**11.6 Indemnity in favour of the Issuer**

Each Agent shall severally indemnify the Issuer and, for the purposes of Clause 9 (*Agents to act for Trustee*), the Trustee, against any loss, liability, costs, claim, action, demand or expense which the Issuer may incur or which may be made against it as a result of the breach by such Agent of the terms of this Agreement or its wilful default, negligence or bad faith or that of its officers or employees including any failure to obtain and maintain in existence any consent, authorisation, permission or licence required by it for the assumption, exercise and performance of its powers and duties under this Agreement.

**11.7 Continuance of indemnities**

The respective indemnities of the Issuer and each Agent set out in Clauses 11.5 and 11.6 shall constitute obligations of such entity separate and independent from that entity's obligations under the other provisions of this Agreement and shall remain in full force and effect notwithstanding the termination of this Agreement for any reason.

**12. NO LIABILITY FOR CONSEQUENTIAL LOSS**

No Agent shall in any event be liable to the Issuer or to any other party to the Relevant Documents for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable and in each case however caused or arising. This Clause 12 shall remain in full force and effect notwithstanding the termination of this Agreement for any reason.

**13. TERMINATION OF APPOINTMENT**

**13.1 Resignation**

Subject to Clause 13.8 (*Limitations on Resignation and Revocation*), each Paying Agent in respect of any or all classes of Notes or the Reference Agent may resign its appointment upon not less than 60 days written notice to the Issuer, any relevant Administrator and the Trustee to that effect, **provided, however**, that:

13.1.1 if such resignation would otherwise take effect in the period from and including 30 days prior to and including 30 days after any due date for payment in respect of any Note, it shall not take effect until the expiry of that period; and

13.1.2 in the case of Principal Paying Agent, the only remaining Paying Agent with its Specified Office in the United Kingdom, the Reference Agent or the only remaining Paying Agent with its Specified Office outside the United Kingdom, such resignation shall not take effect until a successor has been duly appointed in accordance with Clause 13.4 (*Additional and Successor Agents*) and notice of such appointment has been given to the Noteholders.

**13.2 Revocation**

Subject to Clause 13.7 (*Maintenance of a Paying Agent in the European Union*) and Clause 13.8 (*Limitations on Resignation and Revocation*), the Issuer may at any time with the prior written consent of the Trustee revoke its appointment of any Agent as its

agent in relation to the Notes by not less than 60 days written notice to the Trustee and such Agent whose appointment is to be revoked, provided that if such notice would otherwise take effect in the period from and including 30 days prior to and including 30 days after, any due date for payment in respect of any Note, it shall not take effect until the expiry of that period and provided further, however, that in the case of the Principal Paying Agent, the only remaining Paying Agent with its Specified Office in the United Kingdom, the Reference Agent or the only remaining Paying Agent with its Specified Office outside the United Kingdom (if applicable), such revocation shall not take effect until a successor has been duly appointed in accordance with Clause 13.4 (*Additional and Successor Agents*) and notice of such appointment has been given to the Noteholders.

### 13.3 **Automatic Termination**

The appointment of any Agent shall terminate forthwith if at any time:

- 13.3.1 such Agent becomes incapable of acting;
- 13.3.2 a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Agent;
- 13.3.3 such Agent admits in writing its insolvency or inability to pay its debts as they fall due or suspends payments of its debts;
- 13.3.4 an administrator or liquidator of such Agent or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made);
- 13.3.5 such Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness;
- 13.3.6 an order is made or an effective resolution is passed for the winding up of such Agent; or
- 13.3.7 any event occurs which has an analogous effect to any of the foregoing in relation to such Agent.

On the occurrence of any of the above, the relevant Agent shall forthwith notify the Issuer, any relevant Administrators, the Trustee and the Paying Agents. If the appointment of the Principal Paying Agent or the only remaining Paying Agent with a Specified Office in the United Kingdom, the Reference Agent or the only remaining Paying Agent with its Specified Office outside of the United Kingdom is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with Clause 13.4 (*Additional and Successor Agents*).

**13.4 Additional and Successor Agents**

The Issuer may from time to time with the prior written approval of the Trustee appoint one or more additional and/or successor principal paying agents, paying agents or reference agents and shall forthwith give notice of any such appointment to the continuing Agents, the Noteholders, any relevant Administrator and the Trustee, whereupon the additional or successor agents shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

**13.5 Agent may appoint Successor**

If any Agent gives notice of its resignation in accordance with Clause 13.1 (*Resignation*) and by the tenth day before the expiration of such notice a successor agent has not been duly appointed in accordance with Clause 13.4 (*Additional and Successor Agents*), such Agent may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Trustee and the Issuer (provided such failure to appoint was not due to default by the Issuer), appoint as its successor agent any reputable and experienced bank or financial institution and give notice of such appointment to the Issuer, the Trustee, any relevant Administrators, the remaining Agents and the Noteholders.

**13.6 Rights of Successor Agent**

Upon the execution by the Issuer and any successor agent of an instrument effecting the appointment of a successor agent, such successor agent shall, without any further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor with like effect as if originally named as the relevant agent in this Agreement and such predecessor, upon payment to it of the pro rata proportion of its administration fee and disbursements then unpaid (if any), shall thereupon become obliged to transfer, deliver and pay over, and such successor agent shall be entitled to receive, all monies, records and documents held by such predecessor under this Agreement.

**13.7 Maintenance of a Paying Agent in the European Union**

The Issuer undertakes that it shall ensure that it maintains a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to (a) EU Council Directive 2003/48/EC on the taxation of savings income, or (b) any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such Directive.

**13.8 Limitations on Resignation and Revocation**

Notwithstanding Clause 13.1 (*Resignation*) and Clause 13.2 (*Revocation*):

- 13.8.1 if at any time there should be only one Paying Agent, no resignation by or termination of the appointment of the Paying Agent shall take effect until a successor paying agent in respect of the affected class or classes of Notes approved in writing by the Trustee has been appointed on terms previously approved in writing by the Trustee;



- 13.8.2 no resignation by or termination of the appointment of any Paying Agent shall take effect if as a result of such resignation or termination (i) there would cease to be a Paying Agent in respect of the affected class or classes of Notes having a Specified Office in London or (ii) the Issuer would be in breach of Clause 13.7;
- 13.8.3 no appointment or termination of the appointment of a Paying Agent shall take effect unless and until notice thereof shall have been given to the relevant Noteholders in accordance with the Conditions;
- 13.8.4 no resignation by or revocation of the appointment of the Reference Agent shall take effect until a new Reference Agent having its Specified Office in London has been appointed; and
- 13.8.5 the appointment of any additional Paying Agent shall be *mutatis mutandis* on the terms and subject to the conditions of this Agreement and each of the parties to this Agreement shall co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give effect to the appointment of such Paying Agent.

**13.9 Effect of Resignation, Revocation and Termination**

Upon any resignation or revocation taking effect under Clause 13.1 (*Resignation*) or Clause 13.2 (*Revocation*) or any termination under Clause 13.3 (*Automatic Termination*), the relevant Agent shall:

- 13.9.1 without prejudice to any accrued liabilities and obligations, be released and discharged from any further obligations under this Agreement (save that it shall remain entitled to the benefit of, and subject to, Clause 10 (*Fees and Expenses*), Clause 11 (*Terms of Appointment*) and Clause 13 (*Termination of Appointment*));
- 13.9.2 repay to the Issuer such part of any fee paid to it in accordance with Clause 10.1 (*Fees*) as shall relate to any period thereafter;
- 13.9.3 deliver to the Issuer and to its successor agent a copy, certified as true and up-to-date by an officer of such Agent of the records maintained by it pursuant to this Agreement;
- 13.9.4 forthwith transfer all monies and papers (including any unissued Notes held by it under this Agreement) to its successor in that capacity and provide reasonable assistance to its successor for the discharge by it of its duties and responsibilities under this Agreement; and
- 13.9.5 in the case of any Paying Agent, pay to the successor paying agent any amount held by it for payment of principal or interest in respect of the relevant Notes.

**13.10 Change of Specified Office**

If any Agent shall determine to change its Specified Office (which, in the case of each Paying Agent, may only be effected within the same city where each Paying Agent currently has its Specified Office), it shall give to the Issuer and the Trustee written notice of such determination giving the address of the new Specified Office and stating the date on which such change is to take effect, which date shall not be less than 30 days after the date of such notice, provided that no such notice shall take effect within the period from and including 30 days prior to and including 30 days after, any due date for payment in respect of any Note.

The Issuer shall, within 14 days of receipt of such notice (unless the appointment is pursuant to a revocation or termination under Clause 13.2 (*Revocation*) or Clause 13.3 (*Automatic Termination*) above on or prior to the date of such change), give to the Noteholders notice of such change as approved by the Trustee and of the address of the Specified Office in accordance with the Conditions but the costs of giving such notice shall be borne by such Agent changing its office and not by the Issuer.

**13.11 Merger**

Any legal entity into which any Agent may be merged or converted, or any legal entity with which any Agent may be consolidated, or any legal entity resulting from any merger, conversion or consolidation to which any Agent shall be a party, or any legal entity to which any Agent shall sell or otherwise transfer all or substantially all the assets of the relevant agency business of the relevant Agent, as the case may be, shall, on the date when such merger, conversion, consolidation, sale or transfer becomes effective and to the extent permitted by applicable law, become the successor to the relevant Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, unless otherwise required by the Issuer, and after the said effective date all references in this Agreement to the relevant Agent, as the case may be, shall be deemed to be references to such legal entity.

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

**14.1 Limited Recourse**

Each party to this Agreement agrees that notwithstanding any other provisions hereof, all payments to be made by the Issuer under this Agreement (for the avoidance of doubt other than in respect of the payment of interest and principal in respect of the Notes) will be payable only from, and to the extent of, the sums paid to, or net proceeds recovered by or on behalf of, the Issuer or the Trustee in respect of the Security less any amount which is required to be paid to any other person in priority to or in the same priority as the relevant party to this Agreement subject to and in accordance with the applicable Priority of Payments and there will be no other assets of the Issuer available for any further payments and following the realisation of the Security and the distribution of the proceeds thereof in accordance with the Deed of Charge none of the parties to this Agreement shall be entitled to take any further steps against the Issuer to recover any sums due under this Agreement but still unpaid and all outstanding claims in respect of such sums due but still unpaid shall be extinguished.

The parties to this Agreement look solely to such sums and proceeds and the rights of the Issuer in respect of the Security (net as aforesaid) for payments to be made by the Issuer. The obligations of the Issuer to make such payments under this Agreement will be limited to such sums and the proceeds of realisation of the Security (net as aforesaid) and the parties to this Agreement will have no further recourse in respect thereof.

#### 14.2 **Non-Petition**

Each of the Agents hereby covenants and agrees with the Issuer and the Trustee that:

- (a) only the Trustee may enforce the security created in favour of the Trustee by the Deed of Charge in accordance with its provisions; and
- (b) save as provided in the Trust Deed or Deed of Charge, it shall not take any steps for the purpose of recovering any sums due under this Agreement or enforcing any rights arising out of this Agreement or institute against the Issuer or join any other person in instituting against the Issuer any winding-up, administration, reorganisation, liquidation, bankruptcy, insolvency or other proceedings of the Issuer for so long as the Notes are outstanding and until two years and one day has elapsed after all Secured Amounts have been paid or discharged in full.

#### 14.3 **Payment to Trustee**

Each of the Agents hereby undertakes with the Trustee and the Issuer that if, whether in the liquidation of the Issuer or otherwise any payment is made to or amount recovered by any Agent, as the case may be otherwise than in accordance with the Deed of Charge, the amount so paid or recovered shall be paid by such Agent, as the case may be to the Trustee.

#### 15. **NOTICES**

Any notices or other communication or document to be given or delivered pursuant to this Agreement to any of the parties to this Agreement shall be sufficiently served if sent by prepaid first class post, by hand or by facsimile or email transmission or made by telephone (but in the case of notice by telephone or email with subsequent confirmation by written communication as aforesaid despatched or delivered by hand within 24 hours) and shall be deemed to be given (in the case of facsimile transmission) when despatched or (in the case of email) the time such email was sent if it is subsequently confirmed as aforesaid or (in the case of a telephone call) the time such telephone call made if it is subsequently confirmed as aforesaid or (where delivered by hand) on the day of delivery if delivered before 17.00 hours on a business day in the place of the addressee or otherwise on the next business day in the place of the addressee if delivered thereafter or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Issuer, to First Flexible (No.7) PLC at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (facsimile number

0121 712 2072, telephone number 0121 712 2075 or email to Company\_Secretary@Paragon-group.co.uk) for the attention of: The Company Secretary;

- (b) in the case of the Trustee, to Citicorp Trustee Company Limited at Citigroup Centre, 14<sup>th</sup> Floor, Canada Square, Canary Wharf, London E14 5LB (facsimile number 020 7500 5248, telephone number 020 7500 5712) for the attention of: Agency & Trust;
- (c) in the case of any relevant Administrator to Paragon Finance PLC and Mortgage Trust Services plc at St. Catherine's Court, Herbert Road, Solihull, West Midlands B91 3QE (facsimile number 0121 712 2072, telephone number 0121 712 2075, or email to Company\_Secretary@Paragon-group.co.uk) for the attention of: The Company Secretary;
- (d) in the case of any Agent, to it at the address, fax number or telephone number specified against its name in Schedule 1 (*Specified Offices*) (or in the case of an Agent not originally a party to this Agreement, specified by notice to the parties to this Agreement at the time of its appointment) for the attention of the person or department specified therein,

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by fifteen days prior written notice in accordance with the provisions of this Clause 15.

**16. THIRD PARTY RIGHTS**

A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

**17. TIME OF THE ESSENCE**

Any date or period specified in this Agreement may be postponed or extended by mutual agreement among the parties, but as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

**18. VARIATION AND WAIVER**

No variation or waiver of this Agreement shall be effective unless it is in writing and signed by a duly authorised signatory of each party. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

**19. EXECUTION IN COUNTERPARTS; SEVERABILITY**

**19.1 Counterparts**

This Agreement may be executed in any number of counterparts (manually or by facsimile) and by different parties to this Agreement in separate counterparts, each of

which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

**19.2 Severability**

Where any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Agreement, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

**20. GOVERNING LAW AND JURISDICTION; PROCESS AGENT; APPROPRIATE FORUM**

**20.1 Governing Law**

This Agreement is governed by, and shall be construed in accordance with, English law.

**20.2 Jurisdiction**

The parties to this Agreement irrevocably agree for the benefit of the Issuer and the Trustee that the courts of England are to have jurisdiction to settle any suit, action or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submit to the jurisdiction of such courts.

**20.3 Appropriate Forum**

Each of the parties to this Agreement irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

**21. EXCLUSION OF LIABILITY**

The Trustee is a party to this Agreement only to receive the benefit of the provisions in this Agreement and has no liability under this Agreement.

**AS WITNESS** the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

**SCHEDULE 1**  
**SPECIFIED OFFICES AND NOTICE DETAILS**

**The Principal Paying Agent**

Citibank, N.A., London Branch  
Citigroup Centre  
21<sup>st</sup> Floor  
Canada Square  
Canary Wharf  
London E14 5LB

Telephone number: 020 7508 3815  
Facsimile number: 020 7508 3884  
Attention of: Agency & Trust

**The Reference Agent**

Citibank, N.A., London Branch  
Citigroup Centre  
21<sup>st</sup> Floor  
Canada Square  
Canary Wharf  
London E14 5LB

Telephone number: 020 7508 3856  
Facsimile number: 020 7508 3881  
Attention of: Agency & Trust

**Execution Page**

**Executed for and on behalf of:**  
acting by:

**First Flexible (No.7) PLC**

By: /s/ Stephen Bowcott  
Name: Stephen Bowcott  
Title: Attorney

**Executed for and on behalf of:**  
in its capacities as Principal Paying Agent  
and Reference Agent acting by:

**Citibank, N.A., London Branch**

By: /s/ Marne Lidster  
Name: Marne Lidster  
Title: Director

**Executed for and on behalf of:**  
in its capacity as Trustee  
acting by:

**Citicorp Trustee Company Limited**

By: /s/ Marne Lidster  
Name: Marne Lidster  
Title: Director