

**BAA FUNDING LIMITED**

as Issuer

**DEUTSCHE TRUSTEE COMPANY LIMITED**

as Bond Trustee and Borrower Security Trustee

**DEUTSCHE BANK AG, LONDON BRANCH**

as Principal Paying Agent and Agent Bank

**DEUTSCHE BANK TRUST COMPANY AMERICAS**

as U.S. Paying Agent, Exchange Agent, Transfer Agent and Registrar

**THE ROYAL BANK OF SCOTLAND PLC**

as Issuer Account Bank

**BAA LIMITED**

as Issuer Cash Manager

**LLOYDS TSB BANK PLC**

as Issuer Liquidity Facility Provider

**LLOYDS TSB BANK PLC**

as Issuer Liquidity Facility Agent

**CERTAIN FINANCIAL INSTITUTIONS**

as Initial Issuer Hedge Counterparties

**BAA LIMITED**

as Bond Guarantor

**AND**

**MOURANT & CO. LIMITED**

**MOURANT & CO. CAPITAL (SPV) LIMITED**

as Issuer Corporate Administration Providers

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**ISSUER DEED OF CHARGE**

in respect of a

**£50,000,000,000**

**MULTICURRENCY PROGRAMME**

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

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**THIS ISSUER DEED OF CHARGE** is made on 18 August 2008

**BETWEEN**

- (1) **BAA FUNDING LIMITED**, a company incorporated in Jersey (with registered number 99529) (the "**Issuer**");
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated in England and Wales with its registered office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, as the "**Bond Trustee**" and "**Borrower Security Trustee**";
- (3) **DEUTSCHE BANK AG, LONDON BRANCH**, a company incorporated in Germany, in its capacities as the "**Principal Paying Agent**" (which expression shall include any successor in that capacity) and "**Agent Bank**";
- (4) **DEUTSCHE BANK TRUST COMPANY AMERICAS**, a company registered under the State of New York, with its registered office at 60 Wall Street, New York, NY 10005, United States of America, in its capacities as the "**U.S. Paying Agent**", "**Exchange Agent**", "**Transfer Agent**" and "**Registrar**";
- (5) **THE ROYAL BANK OF SCOTLAND PLC**, a company registered in Scotland, with its registered office at 36 St Andrew Square, Edinburgh, Scotland EH2 2YB, in its capacity as the "**Issuer Account Bank**";
- (6) **BAA LIMITED**, a company incorporated in England and Wales with limited liability (registered number 01970855) whose registered office is at 130 Wilton Road, London SW1V 1LQ, in its capacity as the "**Issuer Cash Manager**";
- (7) **LLOYDS TSB BANK PLC**, a company incorporated in England and Wales (registered number 2652402) whose registered office is at 25 Gresham Street, London EC2V 7HN, in its capacity as the "**Issuer Liquidity Facility Provider**";
- (8) **LLOYDS TSB BANK PLC**, a company incorporated in England and Wales (registered number 2652402) whose registered office is at 25 Gresham Street, London EC2V 7HN, in its capacity as the "**Issuer Liquidity Facility Agent**";
- (9) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1, as initial issuer hedge counterparties (the "**Initial Issuer Hedge Counterparties**");
- (10) **BAA LIMITED**, a company incorporated in England and Wales with limited liability (registered number 01970855) whose registered office is at 130 Wilton Road, London SW1V 1LQ (the "**Bond Guarantor**"); and
- (11) **MOURANT & CO. LIMITED**, a company incorporated in Jersey with registered address 22 Grenville Street, St Helier, Jersey JE4 8PX and **MOURANT & CO. CAPITAL (SPV) LIMITED**, a company incorporated in England and Wales (registered number 4092438) with its registered office at 8<sup>th</sup> Floor, 68 King William Street, London EC4N 7DZ in their capacities as the "**Issuer Corporate Administration Providers**".

**THE PARTIES AGREE AS FOLLOWS:**

1. **DEFINITIONS AND INTERPRETATION**

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

1.2 Where, under this Issuer Deed of Charge, the Bond Trustee is entitled or required to exercise any of its powers, trusts, authorities, duties and discretions pursuant to this Issuer Deed of Charge, such exercise (insofar as it relates to a STID Matter (as defined in part 2 of schedule 6 to the Bond Trust Deed)) will be subject to the provisions of the STID. In the event of any inconsistency between this Issuer Deed of Charge and the STID, the terms of the STID shall prevail.

1.3 **Issuer Hedging Agreements**

Any termination events or events of default (howsoever worded) in an Issuer Hedging Agreement other than Permitted Hedge Terminations shall be unenforceable by any person.

1.4 **Accession of Additional Issuer Secured Creditor**

If the Issuer wishes any person to become an Issuer Secured Creditor under this Issuer Deed of Charge, the Issuer must first notify the Bond Trustee thereof in writing. On or before the relevant date of accession, the Issuer and the proposed additional Issuer Secured Creditor must deliver to the Bond Trustee: (a) an accession memorandum in substantially the form set out in Schedule 2 (*Form of Accession Memorandum*) executed by the Issuer and the proposed additional Issuer Secured Creditor and (b) a copy of the relevant Issuer Transaction Documents evidencing or regulating the relevant Issuer Secured Liabilities. Upon receipt of the relevant documents referred to in the preceding sentence, the Bond Trustee must give notice to the existing Issuer Secured Creditors (other than the Bondholders) of a duly completed and executed accession memorandum in respect of the proposed additional Issuer Secured Creditor. The Issuer Secured Creditors (other than the Bondholders) hereby authorise the Bond Trustee to execute each accession memorandum (without liability therefor) and agree to be bound by the terms of such accession memorandum. The parties agree that any accession memorandum delivered in accordance with this Clause 1.4 will take effect on the date specified in such accession memorandum as the date on which such accession memorandum shall become effective.

2. **ISSUER'S UNDERTAKING TO PAY**

The Issuer undertakes to the Bond Trustee (for its own account and as trustee for the other Issuer Secured Creditors) that it shall duly, unconditionally and punctually pay and

discharge to each of the Issuer Secured Creditors, when due, all monies and liabilities, whatsoever, constituting the Issuer Secured Liabilities, in accordance with the terms of the relevant Issuer Transaction Documents.

**3. CREATION OF FIXED SECURITY**

As continuing security for the payment or discharge of the Issuer Secured Liabilities, the Issuer, with full title guarantee, in favour of the Bond Trustee, for itself and as trustee for the Issuer Secured Creditors, hereby grants:

- 3.1.1 an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- 3.1.2 an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- 3.1.3 a first fixed charge of the Benefit of the Issuer Accounts and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit; and
- 3.1.4 a first fixed charge of the Benefit of each Authorised Investment of the Issuer.

**4. CREATION OF FLOATING CHARGE**

- 4.1 As continuing security for the payment or discharge of the Issuer Secured Liabilities, the Issuer, with full title guarantee, hereby charges, in favour of the Bond Trustee, for itself and as trustee for the Issuer Secured Creditors, by way of a first floating charge, over the whole of the Issuer's undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer's uncalled capital.
- 4.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 4.
- 4.3 The floating charge created by Clause 4.1 above shall be postponed to any valid fixed charges which remain outstanding under this Issuer Deed of Charge from time to time and any rights of the Issuer to deal with the assets subject to the floating charge shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same.

**5. WARRANTY BY THE ISSUER**

The Issuer warrants to the Bond Trustee that:

- 5.1.1 it has taken all necessary steps to enable it to create the Issuer Security in respect of the Issuer Charged Property in accordance with this Issuer Deed of Charge and has taken no action or steps which will or may prejudice its right, title and interest in, to and under the Issuer Charged Property; and
- 5.1.2 this Issuer Deed of Charge creates the Issuer Security it purports to create and such Issuer Security is not liable to be avoided or otherwise set aside upon an occurrence of and in relation to an Insolvency Event in respect of the Issuer.

**6. NOTICE OF SECURITY**

The Issuer hereby gives notice to the Issuer Secured Creditors (other than the Bond Trustee) of the creation of the Issuer Security pursuant to Clauses 3 (*Creation of Fixed Security*) and 4 (*Creation of Floating Charge*) hereof and each Issuer Secured Creditor (other than the Bond Trustee), by its execution of this Issuer Deed of Charge, hereby acknowledges notice of the same. The Issuer has also given notice of the Issuer Security hereby created to the Obligors and the Borrower Secured Creditors in accordance with the Obligor Floating Charge Agreement and the STID.

**7. TRUST**

**7.1 Appointment of the Trustee**

The Issuer Secured Creditors (other than the Bond Trustee) hereby appoint the Bond Trustee to act as trustee of the trusts contained under this Issuer Deed of Charge in accordance with the terms hereof. The Bond Trustee shall exercise such rights, powers and discretions as are specifically given to the Bond Trustee under this Issuer Deed of Charge and pursuant to the general law.

**7.2 Trust**

The Bond Trustee shall hold the Issuer Charged Property on trust for the Issuer Secured Creditors on the terms and subject to the conditions contained in this Issuer Deed of Charge.

**7.3 The Original Security**

The parties hereto acknowledge and agree that the security initially to be held by, or to the order of, the Bond Trustee, upon the trusts contained in this Issuer Deed of Charge, shall comprise the benefit of the encumbrances, rights and obligations arising in favour of the Bond Trustee, for itself and each of the Issuer Secured Creditors under this Issuer Deed of Charge and any other security document and all notices of assignment or charge given pursuant to any such document and all acknowledgements given in respect of such notices.

**8. REDEMPTION AND RELEASE**

**8.1 Release on payment or discharge**

Upon proof being given (in accordance with the following sentence) to the satisfaction of the Bond Trustee as to the irrevocable and unconditional payment or discharge of the Issuer Secured Liabilities, and the Issuer not being under any further actual or contingent obligation to make advances or provide other financial accommodation to any Issuer Secured Creditor or any other persons under any Issuer Transaction Documents, the Bond Trustee will, at the request and cost of the Issuer, release, discharge or reassign (as appropriate) the Issuer Charged Property to, or to the order of, the Issuer or to any other person entitled to the Issuer Charged Property of whom the Bond Trustee has notice. Written confirmation of such discharge of the Issuer Secured Liabilities shall be provided to the Issuer and the Bond Trustee by the relevant Issuer Secured Creditor (other than the Bond Trustee) as soon as reasonably practicable after the discharge of the relevant Issuer Secured Liabilities.

**8.2 Partial release of Hedging Documents**

The Bond Trustee shall, from time to time, at the request and cost of the Issuer, release, discharge or reassign (subject to Clause 8.3 (*No avoidance*)) any Issuer Hedging Agreement from the Security Interests created pursuant to Clause 3.1.2 **provided that**

8.2.1 the relevant Issuer Hedge Counterparty has consented in writing to such release, discharge or reassignment; and

8.2.2 at the time of making the relevant request, a Director or the Chief Financial Officer of the Security Group Agent has certified in writing that the Group is in compliance, and will, following the transactions to which the relevant release, discharge or reassignment relates, continue to be in compliance, with the Hedging Policy.

8.3 **No avoidance**

No assurance, security or payment which is avoided under any enactment relating to bankruptcy or under Sections 238 to 245 or Section 423 of the Insolvency Act or any equivalent provision of common law and no release, settlement or discharge given or made by the Bond Trustee in reliance on any such assurance, security or payment shall prejudice or affect the right of the Bond Trustee to enforce the Issuer Security. The Issuer agrees that, in the event of and notwithstanding any such avoidance, release, settlement or discharge, the Issuer Security shall be deemed always to have been and to have remained held by the Bond Trustee as and by way of security for the payment to or to the order of the Bond Trustee of the Issuer Secured Liabilities.

8.4 **Form of Release**

Subject to Clause 8.2 (*Partial release of Hedging Documents*), Clause 10.1.2 and Clause 10.1.3 (*Trustee Acknowledgement*), Clause 10.2 (*Automatic Release*) and Clause 10.3 (*Issuer Liquidity Reserve Account*) the Issuer Security shall be released only upon the execution by or on behalf of the Bond Trustee of either an absolute and unconditional release by way of deed or a receipt, in each case relating to all (and not part only) of the Issuer Secured Liabilities.

8.5 **Application of Issuer Secured Liabilities**

If the Bond Trustee considers in its sole discretion that an amount paid to the Bond Trustee or any Issuer Secured Creditor for application in or towards repayment of the Issuer Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Issuer or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof. For the avoidance of doubt, any proceeds from enforcement of the OFCA Floating Security shall be paid only in accordance with clause 13 (*Application of Enforcement Proceeds*) of the Obligor Floating Charge Agreement.

8.6 **Information**

Each Issuer Secured Creditor (other than the Bond Trustee) and the Issuer shall provide the Bond Trustee, on request, with a certificate containing accurate and up-to-date information as to the Issuer Secured Liabilities owing (actually or contingently) to such Issuer Secured Creditor, to enable the Bond Trustee to perform its functions under this Issuer Deed of Charge, such certificate to be in a form required by the Bond Trustee. The Issuer hereby expressly consents to the Issuer Secured Creditors supplying such



information to the Bond Trustee. If an Issuer Secured Creditor does not provide a certificate within ten Business Days of request, the Bond Trustee shall be entitled to rely on a certificate provided by the Issuer to determine the Issuer Secured Liabilities owing to such Issuer Secured Creditor and shall not incur any liability to any person for so relying and shall have no duty to enquire as to the accuracy of such certificate.

9. **CONTINUANCE OF SECURITY**

9.1 **Continuing Security**

The Issuer Security and the covenants, undertakings and provisions contained in this Issuer Deed of Charge shall remain in force as a continuing security to the Bond Trustee (to hold for itself and the other Issuer Secured Creditors), notwithstanding any intermediate payment or satisfaction of any part of the Issuer Secured Liabilities or any settlement of account or any other act, event or matter whatsoever, and shall secure the ultimate balance of the Issuer Secured Liabilities until their complete and final payment or discharge.

9.2 **Further Funds**

Each of the Issuer Secured Creditors acknowledges that the Issuer shall be at liberty to raise further funds, from time to time, on any date, by the creation and issue of further Bonds (other than the Bonds issued on the Initial Issue Date) under the Programme, subject always to the provisions of the Conditions and the Bond Trust Deed. Each of the parties to this Issuer Deed of Charge acknowledges and agrees that such further Bonds shall be secured by the Issuer Security and that upon such further issue, it shall (at the Issuer's cost) do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power and as may be requested of it by the Bond Trustee, to give effect to the rights and obligations for such issue.

10. **PAYMENTS PRIOR TO ENFORCEMENT**

10.1 **Trustee Acknowledgement**

Notwithstanding the Issuer Security, the Bond Trustee acknowledges that, until delivery of a Security Protection Notice (as defined in Clause 11 (*Security Protection Notice*) below) or a Bond Enforcement Notice:

10.1.1 payments becoming due to the Issuer under any of the Issuer Transaction Documents, together with all other monies payable to the Issuer pursuant to any other related documents or arrangements to which it is a party, may be made to the Issuer in accordance with the provisions of the relevant Issuer Transaction Documents or (as the case may be) such other documents or arrangements concerned;

10.1.2 the Issuer may, subject to Clause 10.1.3, exercise its rights, powers and discretions and perform its obligations in relation to the Issuer Charged Property and under the Issuer Transaction Documents (including the sale and/or realisation of Authorised Investments) in accordance with the provisions of the Issuer Transaction Documents or (as the case may be) any other related documents or arrangements; and

10.1.3 amounts standing to the credit of the Issuer Accounts from time to time may be withdrawn therefrom by the Issuer but only in accordance with the Issuer Pre-Enforcement Priority of Payments and such sums are (subject to Clause 8.3 (*No avoidance*)) released from the Security Interests created pursuant to Clause 3.1.3.

## 10.2 **Automatic Release**

Notwithstanding the Issuer Security, the Bond Trustee acknowledges that (whether before or after the delivery of a Security Protection Notice or a Bond Enforcement Notice):

10.2.1 amounts representing Issuer Excess Hedge Collateral may be withdrawn from the Issuer Accounts from time to time and returned to the relevant Issuer Hedge Counterparty in accordance with the relevant Issuer Hedging Agreement; and

10.2.2 amounts standing to the credit of a Liquidity Standby Account that has been opened in accordance with the terms of an Issuer Liquidity Facility Agreement may be withdrawn from time to time and returned to the relevant Issuer Liquidity Facility Provider in accordance with such Issuer Liquidity Facility Agreement,

and, in each case, such sums are (subject to Clause 8.3 (*No avoidance*)) released from the Security Interests created pursuant to Clause 3.1.3.

## 10.3 **Issuer Liquidity Reserve Account**

Notwithstanding the Issuer Security, the Bond Trustee acknowledges that (unless a Security Protection Notice has been delivered and not withdrawn or a Bond Enforcement Notice has been delivered) amounts standing to the credit of the Issuer Liquidity Reserve Account may be withdrawn from time to time and applied by the Issuer at its discretion provided that a Director of the Issuer has certified to the Bond Trustee in writing that such withdrawal shall not cause the occurrence of the Trigger Event set out in paragraph 3(b) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement. Such sums are (subject to Clause 8.3 (*No avoidance*)) released from the Security Interests created pursuant to Clause 3.1.3.

## 10.4 **Ranking of Issuer Secured Liabilities**

Each party hereto agrees and each of the Issuer and the Bond Trustee hereby acknowledges that in respect of all monies received or recovered by the Bond Trustee:

10.4.1 prior to delivery of a Bond Enforcement Notice, each Issuer Secured Creditor's claims shall rank according to the Issuer Pre-Enforcement Priority of Payments; and

10.4.2 following delivery of a Bond Enforcement Notice, each Issuer Secured Creditor's claims shall rank according to the Issuer Post-Enforcement Priority of Payments.

## 11. **SECURITY PROTECTION NOTICE**

### 11.1 **Delivery of Security Protection Notice**

Subject to the provisions of Clause 14 (*Enforcement*), at any time, while any of the Issuer Secured Liabilities remain outstanding, the Bond Trustee may send a notice in writing to the Issuer (a "**Security Protection Notice**") stating that the floating security created by Clause 4.1 (*Creation of Floating Charge*) (the "**IDOC Floating Security**") is converted with immediate effect into fixed charges as regards any assets specified therein if:

- 11.1.1 a Bond Event of Default in relation to the Bonds occurs and is continuing; or
- 11.1.2 the Bond Trustee considers that the Issuer Charged Property or any part thereof is in danger of being seized or sold under any form of distress, diligence or execution levied, executed or threatened or to be otherwise in jeopardy.

#### 11.2 **Withdrawal**

If a Security Protection Notice is delivered pursuant to Clause 11.1 (*Delivery of Security Protection Notice*), the Bond Trustee may (with no obligation to do so), at any time, unless a Bond Enforcement Notice has been delivered) by notice in writing to the Issuer, withdraw a Security Protection Notice, the effect of which is to confirm that the floating security created by Clause 4.1 (*Creation of Floating Charges*) has ceased to be crystallised.

#### 11.3 **Consequences of Delivery of Security Protection Notice**

Upon delivery of a Security Protection Notice:

- 11.3.1 the floating charge herein shall crystallise into a fixed charge or fixed charges as regards any assets specified in the Security Protection Notice; and
- 11.3.2 by way of further assurance of such fixed charge or fixed charges, the Issuer shall forthwith on demand execute and deliver to the Bond Trustee a first fixed charge or security over any such assets in such form as is satisfactory to the Bond Trustee.

#### 12. **BOND ENFORCEMENT NOTICE**

The parties hereto acknowledge and agree that the circumstances in which the Bond Trustee may or shall deliver a Bond Enforcement Notice and the conditions applicable to delivery of a Bond Enforcement Notice are set out in Condition 11(b) (*Delivery of Bond Enforcement Notice*) and the consequences of delivery of a Bond Enforcement Notice are set out in Condition 11(d) (*Consequences of the delivery of a Bond Enforcement Notice*).

#### 13. **SECURITY ENFORCEABLE**

The Issuer Security shall only become enforceable upon the delivery of a Bond Enforcement Notice, provided that the OFCA Floating Security shall only become enforceable in accordance with clause 10.1 (*Security Enforceable*) of the Obligor Floating Charge Agreement. The parties hereto acknowledge and agree that, following the delivery of a Bond Enforcement Notice, the Bond Trustee may, or shall in the circumstances set out in Condition 12 (*Enforcement Against Issuer*), enforce the Issuer Security.

## 14. ENFORCEMENT

### 14.1 Consequences of Enforceable Issuer Security

From the date on which the Issuer Security becomes enforceable and/or, in the case of Clause 14.1.1 only, if the Bond Trustee has appointed an Administrative Receiver pursuant to Clause 18.1 (*Appointment of a Receiver*):

- 14.1.1 if it has not already crystallised, the floating charge contained in Clause 4.1 (*Creation of Floating Charge*) shall crystallise;
- 14.1.2 subject to the provisions of the Conditions and the Bond Trust Deed, the Bond Trustee may institute such proceedings against the Issuer and take such action as it may think fit to enforce all or any part of the Issuer Security;
- 14.1.3 amounts may be withdrawn from the Issuer Accounts only by or on behalf of the Bond Trustee and shall be applied only in accordance with the Issuer Post-Enforcement Priority of Payments;
- 14.1.4 the Bond Trustee may appoint a Receiver or an administrator in accordance with Clause 18 (*Appointment and Removal of Administrator and Receiver*); and
- 14.1.5 whether or not it has appointed a Receiver, the Bond Trustee may exercise all or any of the powers, authorities and discretions:
  - (a) conferred by this Issuer Deed of Charge on any Receiver or administrator;
  - (b) conferred by the LPA (as varied or extended hereby) on mortgagees; or
  - (c) otherwise conferred by law on mortgagees or Receivers.

### 14.2 Indemnity required

The Bond Trustee shall not be obliged to enforce the Issuer Security unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by the enforcement of the Issuer Security; provided that the Bond Trustee hereby agrees that in respect of the appointment of an Administrative Receiver pursuant to clause 11.2 (*Appointment - Administration*) of the Obligor Floating Charge Agreement only, it shall be treated as being indemnified and secured to its satisfaction against all Liabilities in respect of such appointment(s), pursuant to its rights against the Issuer under clause 15 (*Remuneration and Indemnification of Bond Trustee*) of the Bond Trust Deed, and its rights against the Obligors pursuant to clause 14.2 (*Indemnity*) of the Obligor Floating Charge Agreement, and the amount of such indemnity shall form part of the Issuer Secured Liabilities and the Borrower Secured Liabilities, respectively.

### 14.3 Waiver of claims

The Issuer agrees that, in the event the Bond Trustee appoints an administrative receiver pursuant to Clause 18.1 (*Appointment of a Receiver*), the Issuer shall waive any claims against the Bond Trustee in respect of such appointment, save where the same arises as a result of the fraud, gross negligence or wilful default of the Bond Trustee.

### 14.4 Acknowledgement

Each of the Issuer Secured Creditors (other than the Bond Trustee) hereby acknowledges to the Bond Trustee that it shall not be liable to any of them in respect of any failure to appoint an Administrative Receiver, other than for its own gross negligence, wilful default or fraud.

15. **ISSUER POST-ENFORCEMENT PRIORITY OF PAYMENTS**

15.1 After the service of a Bond Enforcement Notice by the Bond Trustee in accordance with this Issuer Deed of Charge, the Issuer Cash Manager (or any substitute cash manager appointed by the Bond Trustee to act on its behalf) shall (to the extent that such funds are available) use funds standing to the credit of the Issuer Accounts (other than (i) Issuer Excess Hedge Collateral (if any), which shall be returned to the relevant Issuer Hedge Counterparty in accordance with the relevant Issuer Hedge Agreement, (ii) Issuer Hedge Replacement Premium (if any), which shall be paid to the relevant Issuer Hedge Counterparty and (iii) amounts standing to the credit of a Liquidity Standby Account that has been opened in accordance with the terms of an Issuer Liquidity Facility Agreement, which shall be paid to the relevant Issuer Liquidity Facility Provider in accordance with such Issuer Liquidity Facility Agreement) to make payments in accordance with the following order of priority (the "**Issuer Post-Enforcement Priority of Payments**"):

15.1.1 *first*, the amounts due in respect of the fees and other remuneration and indemnity payments (if any) payable to the Bond Trustee and any Receiver and any costs, charges liabilities and expenses incurred by the Bond Trustee and any Receiver appointed under the Trust Documents or the Obligor Floating Charge Agreement and any other amounts payable to the Bond Trustee and any Receiver under the Trust Documents or the Obligor Floating Charge Agreement;

15.1.2 *second*, in or towards satisfaction, *pro rata* and *pari passu* of the amounts payable by the Issuer in respect of any amounts due and owing by the Issuer in respect of:

(a) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Paying Agents, Exchange Agent, Agent Bank, Registrar and Transfer Agent incurred under the Agency Agreement and any Calculation Agent under the Calculation Agency Agreement;

(b) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;

(c) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Cash Manager (for so long as the Issuer Cash Manager is not BAA or a member of the BAA Group); and

(d) the fees, other remuneration, indemnity payments, costs, charges and expenses of each Issuer Corporate Administration Provider incurred under the Issuer Corporate Administration Agreements,

- 15.1.3 *third, pro rata*, according to the respective amounts thereof, (a) all amounts due to each Issuer Liquidity Facility Provider (and any facility agent and arranger under any Issuer Liquidity Facility Agreement), including all amounts of interest and principal due in respect of any drawing under the Issuer Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) and (b) the fees, other remuneration, indemnity payments (other than in respect of reimbursement sums in respect of payments of interest or principal), costs, charges and expenses (other than reimbursement sums) of each Relevant Financial Guarantor pursuant to the G&R Deed;
- 15.1.4 *fourth, pro rata* according to the respective amounts thereof in or towards satisfaction of all scheduled amounts payable to each Issuer Hedge Counterparty under any Interest Rate Hedging Agreement (other than Issuer Subordinated Hedge Amounts);
- 15.1.5 *fifth, pro rata* according to the respective amounts thereof, in or towards satisfaction of (a) all amounts of interest and commitment commissions due in respect of the Class A Bonds (other than principal and Subordinated Step-up Fee Amounts); (b) all unscheduled amounts (including termination amounts) payable to each Issuer Hedge Counterparty under any Interest Rate Hedging Agreement (other than Issuer Subordinated Hedge Amounts); (c) all scheduled amounts payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class A Bonds (other than Issuer Subordinated Hedge Amounts); (d) all reimbursement sums (if any) owed to each Relevant Financial Guarantor under the G&R Deed in respect of payments of interest on any Class A Wrapped Bonds guaranteed by such Relevant Financial Guarantor and (e) in the event that any Interest Rate Hedging Agreement has been terminated and to the extent that the Issuer has received any termination payment thereunder, any termination payment that is due from the Issuer to a Borrower under the related back-to-back hedging agreement;
- 15.1.6 *sixth, pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all amounts of principal due or overdue in respect of the Class A Bonds; (b) all principal exchange amounts due and payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class A Bonds; (c) any termination amounts or other unscheduled sums due and payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class A Bonds (other than in respect of Issuer Subordinated Hedge Amounts) and (d) all reimbursement sums (if any) owed to each Relevant Financial Guarantor under the G&R Deed in respect of payments of principal on any Class A Wrapped Bonds guaranteed by such Relevant Financial Guarantor;
- 15.1.7 *seventh, pro rata* according to the respective amounts thereof, in or towards satisfaction of (a) all amounts of interest and commitment commissions due in respect of the Class B Bonds (other than principal and Subordinated Step-up Fee Amounts); (b) all scheduled amounts payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class

B Bonds (other than Issuer Subordinated Hedge Amounts) and (c) all reimbursement sums (if any) owed to each Relevant Financial Guarantor under the G&R Deed in respect of payments of interest on any Class B Wrapped Bonds guaranteed by such Relevant Financial Guarantor;

- 15.1.8 *eighth, pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all amounts of principal due or overdue in respect of the Class B Bonds; (b) all principal exchange amounts due and payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class B Bonds; (c) any termination amounts or other unscheduled sums due and payable to each Issuer Hedge Counterparty under any Cross Currency Hedging Agreement in respect of Class B Bonds (other than in respect of Issuer Subordinated Hedge Amounts) and (d) all reimbursement sums (if any) owed to each Relevant Financial Guarantor under the G&R Deed in respect of payments of principal on any Class B Wrapped Bonds guaranteed by such Relevant Financial Guarantor;
- 15.1.9 *ninth, pro rata* according to the respective amounts thereof, in or towards satisfaction of all Subordinated Step-Up Fee Amounts due or overdue in respect of the Class A Bonds;
- 15.1.10 *tenth, pro rata* according to the respective amounts thereof, in or towards satisfaction of all Subordinated Step-Up Fee Amounts due or overdue in respect of the Class B Bonds;
- 15.1.11 *eleventh*, in or towards satisfaction of any Liquidity Subordinated Amount due to an Issuer Liquidity Facility Provider;
- 15.1.12 *twelfth, pro rata* according to the respective amounts thereof, in or towards satisfaction of any Issuer Subordinated Hedge Amounts due or overdue to an Issuer Hedge Counterparty;
- 15.1.13 *thirteenth*, in or towards satisfaction of the amounts payable by the Issuer in respect of any amounts due and owing by the Issuer in respect of the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Cash Manager (if the Issuer Cash Manager is BAA);
- 15.1.14 *fourteenth*, in or towards satisfaction of all reimbursement sums (if any) owed to the Bond Guarantor in respect of payments of interest on any BAA Guaranteed Bonds and all reimbursement sums (if any) owed to the Bond Guarantor in respect of payments of principal on any BAA Guaranteed Bonds; and
- 15.1.15 *thereafter*, after retaining the Issuer Profit Amount (which the Issuer may, after meeting any corporation tax thereon, use to pay a dividend or otherwise to pay to such account or person nominated by the Issuer), any remaining amount by way of rebate of facility fees pursuant to the terms of the Borrower Loan Agreements.

16. **UNDERTAKING OF THE ISSUER CASH MANAGER**

The Issuer Cash Manager undertakes that it will:

- 16.1.1 not have the right to take or join any person in taking steps against the Issuer for the purposes of obtaining payment of any amount due whatsoever from the Issuer to the Issuer Cash Manager, **provided that** nothing shall prevent the Issuer Cash Manager from (a) taking steps to obtain payment to the extent such steps will not cause an Insolvency Event to occur in respect of the Issuer or (b) proving for the full amount owed to it by the Issuer in the liquidation of the Issuer;
- 16.1.2 not exercise any right of set-off against any funds standing to the credit of the Issuer Accounts;
- 16.1.3 not initiate or join any person in initiating howsoever an Insolvency Event in relation to the Issuer; and
- 16.1.4 not be entitled to take any steps or proceedings which would result in any of the provisions of Clause 15 (*Issuer Post-Enforcement Priority of Payments*) or this Clause 16 not being observed.

17. **EXTENSION AND VARIATION OF THE LPA**

17.1 **Extension of Powers**

From the date of this Issuer Deed of Charge but subject to Clause 17.2 (*Powers Exercised on delivery of Bond Enforcement Notice*) below, the provisions of the LPA relating to the power of sale and the other powers conferred by Sections 101(1) and (2) of the LPA are extended to authorise the Bond Trustee upon such terms as the Bond Trustee may think fit:

- 17.1.1 to sell, exchange, license or otherwise dispose of or otherwise deal with the Issuer Charged Property or any interest in the same, and to do so for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration (if any) and upon such terms whatsoever as the Bond Trustee may think fit, and also to grant any option to purchase;
- 17.1.2 with a view to, or in connection with, the management or disposal of the Issuer Charged Property, to carry out any transaction, scheme or arrangement which the Bond Trustee may in its absolute discretion consider appropriate;
- 17.1.3 to take possession of, get in and collect the Issuer Charged Property;
- 17.1.4 to carry on and/or manage and/or concur in managing the business of the Issuer as it thinks fit and to demand, sue for and collect and get in all monies due to the Issuer as it thinks fit;



- 17.1.5 to appoint and engage managers, agents and advisers upon such terms as to remuneration and otherwise and for such periods as it may determine, and to dismiss them;
- 17.1.6 to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Issuer Charged Property;
- 17.1.7 to transfer all or any of the Issuer Charged Property and/or any of the liabilities of the Issuer to any other company or body corporate whether or not formed or acquired for the purpose and whether or not an affiliate of the Bond Trustee or the Issuer;
- 17.1.8 to call up all or any portion of the uncalled capital (if any) of the Issuer;
- 17.1.9 generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether or not similar to any of the foregoing, in relation to the Issuer Charged Property which it may consider expedient as effectually as if it were the absolute and sole legal and beneficial owner of the Issuer Charged Property, subject to any restrictions in the Issuer Transaction Documents;
- 17.1.10 to pay and discharge, out of the profits and income of the Issuer Charged Property and the monies to be made by it in carrying on the business of the Issuer, the expenses incurred in and about the carrying on and management of any such business or in the exercise of any of the powers conferred by this Clause 17.1 (*Extension of Powers*) or otherwise in respect of the Issuer Charged Property and all outgoings which it shall think fit to pay and apply the residue of such profits and income in accordance with the Issuer Post-Enforcement Priority of Payments;
- 17.1.11 to exercise any of the powers and perform any of the duties conferred on the Issuer by or pursuant to any of the Issuer Transaction Documents or any statute, deed or contract;
- 17.1.12 to exercise, or permit any other person to exercise, any rights, powers or privileges of the Issuer in respect of the Issuer Charged Property;
- 17.1.13 to disclaim, discharge, abandon, disregard, alter or amend on behalf of the Issuer all or any outstanding contracts of the Issuer except where such amendment is proscribed by the terms of any Issuer Transaction Document and allow time for payment of any monies either with or without security;
- 17.1.14 to sanction or confirm anything suffered by the Issuer and concur with the Issuer in any dealing not specifically mentioned above;
- 17.1.15 in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, acts or things which it may consider appropriate or incidental or conducive to the exercise of any of the powers referred to above; and

17.1.16 to use the name of the Issuer for all or any of the foregoing purposes.

**17.2 Powers Exercised on delivery of Bond Enforcement Notice**

The statutory powers of sale and of appointing a Receiver which are conferred upon the Bond Trustee, as varied and extended by this Issuer Deed of Charge, and all other powers shall, in favour of any purchaser, be deemed to arise and be exercisable immediately after the execution of this Issuer Deed of Charge but, as between the Bond Trustee on the one hand and each other party to this Issuer Deed of Charge on the other hand, shall only be exercised (subject to Clause 18.1 (*Appointment of a Receiver*)) upon and following the delivery of a Bond Enforcement Notice in accordance with Condition 11 (*Bond Events of Default*) and the Bond Trust Deed.

**17.3 Restrictions**

The restrictions contained in Section 93 and Section 103 of the LPA shall not apply to this Issuer Deed of Charge or to the exercise by the Bond Trustee of its right to consolidate all or any of the Issuer Security with any other security in existence at any time or to its power of sale, which powers may be exercised by the Bond Trustee without notice to the Issuer on or at any time after the delivery of a Bond Enforcement Notice in accordance with Condition 11 (*Bond Events of Default*) and the Bond Trust Deed.

**17.4 Borrowing Powers**

The Bond Trustee may raise and borrow money on the security of the Issuer Charged Property or any part of the Issuer Charged Property for the purpose of defraying any monies, costs, charges, losses and expenses paid or incurred by it in relation to this Issuer Deed of Charge (including the costs of realisation of any or all of the Issuer Charged Property and the remuneration of the Bond Trustee). The Bond Trustee may raise and borrow such money at such rate of interest and generally on such terms and conditions as it shall think fit and may secure the repayment of the money so raised or borrowed with interest on the same by mortgaging or otherwise charging the Issuer Charged Property or any of it and either in priority to the Issuer Security or otherwise and generally in such manner as the Bond Trustee shall think fit and for such purposes may execute and do all such assurances and things as it shall think fit.

**17.5 Powers Additional to LPA and Insolvency Act Powers**

The powers conferred by this Issuer Deed of Charge in relation to the Issuer Security on the Bond Trustee or on any Receiver of the Issuer Charged Property or any part of the Issuer Charged Property shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the LPA and the Insolvency Act and, where there is any ambiguity or conflict between the powers contained in either of such Acts and those conferred by this Issuer Deed of Charge, the terms of this Issuer Deed of Charge shall prevail.

**18. APPOINTMENT AND REMOVAL OF ADMINISTRATOR AND RECEIVER**

**18.1 Appointment of an Administrator or a Receiver**

At any time after the delivery of a Bond Enforcement Notice (in accordance with Condition 11 (*Bond Events of Default*) and the Bond Trust Deed) or if the Bond Trustee has actual notice of an application for the appointment of an administrator in respect of the Issuer, or has actual notice of the giving of a notice of intention to appoint an

administrator in respect of the Issuer, or has actual notice of the filing of a notice of appointment of an administrator of the Issuer with the court, the Bond Trustee shall (as against the other Issuer Secured Creditors) and may (as against the Issuer) appoint one or more persons to be an administrator of the Issuer or such person or persons (including an officer or officers of the Bond Trustee) as it thinks fit to be a Receiver or Receivers of the Issuer Charged Property or any part thereof, such persons or persons to act jointly or jointly and severally as receiver, manager, receiver or manager, administrative receiver, compulsory or interim manager or other similar officer as the Bond Trustee shall determine provided that nothing in this Clause 18.1 shall require the Bond Trustee to make such appointment unless Clause 14.2 (*Indemnity required*) has been satisfied.

**18.2 Capacity of Receivers**

Each person appointed to be a Receiver pursuant to Clause 18.1 (*Appointment of Receiver*) above shall be entitled to act individually or together with any other person appointed or substituted as Receiver.

**18.3 Insolvency Act Requirements**

The Bond Trustee shall comply with any requirement under the Insolvency Act that every person appointed to be an Administrative Receiver be a licensed insolvency practitioner.

**18.4 Removal of Receiver**

The Bond Trustee may (subject to Section 45 of the Insolvency Act) remove any Receiver whether or not appointing another in his place and the Bond Trustee may also appoint another receiver if the Receiver resigns.

**18.5 Exclusion of part of Issuer Charged Property**

The exclusion of any part of the Issuer Charged Property from the appointment of any Receiver shall not preclude the Bond Trustee from subsequently extending his appointment (or that of any Receiver replacing it) to that part.

**18.6 Statutory Powers of Appointment**

The power of appointing a Receiver shall be in addition to all statutory and other powers of appointment of the Bond Trustee under the LPA (as extended by this Issuer Deed of Charge) or otherwise and such powers shall remain exercisable from time to time by the Bond Trustee in respect of any of the Issuer Charged Property.

**19. PROVISIONS RELATING TO RECEIVER**

**19.1 Receiver Agent of Issuer**

Any Receiver shall, so far as the law permits, be the agent of the Issuer and (subject to applicable law) the Issuer shall be solely responsible for any of the Receiver's acts and defaults and liable on any contracts or engagements made or entered into by any Receiver. No Receiver shall at any time act as agent for the Bond Trustee or the Issuer Secured Creditors and in no circumstances shall the Bond Trustee or the Issuer Secured Creditors be in any way responsible for any breach of duty or any action by any Receiver.

**19.2 Remuneration of Receiver**

The remuneration of any Receiver may be fixed by the Bond Trustee (without being limited to the maximum rate specified by the LPA) but such remuneration shall be payable by the Issuer alone and the amount of such remuneration shall form part of the Issuer Secured Liabilities, shall be secured on the Issuer Charged Property under the Issuer Security and paid in accordance with the Issuer Post-Enforcement Priority of Payments or, if no Bond Enforcement Notice has been issued, in accordance with the Issuer Pre-Enforcement Priority of Payments.

**19.3 Receiver and Trustee's Directions**

Each Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations and directions that may from time to time be made and given by the Bond Trustee.

**19.4 Security from Receiver**

The Bond Trustee may from time to time and at any time require any Receiver to give security for the due performance of its duties as Receiver and may fix the nature and amount of the security to be so given but the Bond Trustee shall not be bound in any case to require any such security.

**19.5 Monies Payable to Bond Trustee**

Subject to clause 13 (*Application of Enforcement Proceeds*) of the Obligor Floating Charge Agreement and except as otherwise directed by the Bond Trustee or as otherwise required by law, all monies from time to time received by any Receiver shall be paid over to the Bond Trustee to be applied by it in accordance with the Issuer Post-Enforcement Priority of Payments or, if no Bond Enforcement Notice has been issued, in accordance with the Issuer Pre-Enforcement Priority of Payments.

**19.6 Payments by Trustee to Receiver**

The Bond Trustee may pay over to any Receiver any monies constituting part of the Issuer Charged Property so that such monies may be applied for the purposes of this Issuer Deed of Charge by such Receiver and the Bond Trustee may from time to time determine what funds any Receiver shall be at liberty to keep in hand with a view to the performance of his duties as Receiver.

**19.7 Sections 109(6) and (8) of LPA**

Sections 109(6) and (8) of the LPA (relating to the application of monies received by a receiver) shall not apply in relation to any Receiver.

**19.8 LPA Restrictions Inapplicable**

None of the restrictions imposed by the LPA in relation to appointment of receivers or as to the giving of notice or otherwise shall apply to this Issuer Deed of Charge.

**20. POWERS OF A RECEIVER**

**20.1 Powers of a Receiver**

Every Receiver shall (subject to any restrictions in the instrument appointing him) have and be entitled to exercise in relation to the Issuer Charged Property in respect of which he is appointed, and as varied and extended by the provisions of this Issuer Deed of

Charge (in the name of or on behalf of the Issuer or in his own name and, in each case, at the cost of the Issuer):

- 20.1.1 all the powers conferred by the LPA on mortgagor and on mortgagees in possession and on receivers;
- 20.1.2 all powers of an administrative receiver set out in Schedule 1 to the Insolvency Act (whether or not the Receiver is an administrative receiver);
- 20.1.3 all powers, authorities and discretions conferred upon the Bond Trustee pursuant to this Issuer Deed of Charge and the Bond Trust Deed, subject to such restrictions as the Bond Trustee may think fit;
- 20.1.4 all powers and rights of an absolute owner and power to do or omit to do anything which the Issuer itself could do or omit to do; and
- 20.1.5 power to do all things (including bringing or defending proceedings in the name or on behalf of the Issuer) which seem to the Receiver to be incidental or conducive to:
  - (a) any of the functions, powers, authorities or discretions conferred on or vested in it;
  - (b) the exercise of any or all of his rights under this Issuer Deed of Charge; or
  - (c) the collection or getting in of the Issuer Charged Property.

## 20.2 **Receiver and Transaction Documents**

No Receiver shall have any power to take any action in relation to the Issuer Charged Property which the Issuer or the Bond Trustee is prohibited from taking by the terms of any Issuer Transaction Document.

## 21. **PROTECTION OF THIRD PARTIES**

### 21.1 **Protection of third parties**

No purchaser from, or other person dealing with, the Bond Trustee and/or any Receiver shall be concerned to enquire:

- 21.1.1 whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable; or
- 21.1.2 whether the Issuer Secured Liabilities remain outstanding; or
- 21.1.3 whether any event has occurred to authorise the Bond Trustee and/or any Receiver to act; or
- 21.1.4 as to the propriety or validity of the exercise or purported exercise of any such powers,

and the title of such a purchaser and the position of such other person shall not be impeachable by reference to any of those matters.

### 21.2 **Receipt absolute discharge**

The receipt of the Bond Trustee or the Receiver shall be an absolute and conclusive discharge to a purchaser or other such person as is referred to in Clause 21.1 (*Protection of third parties*) and shall relieve such purchaser or other person of any obligation to see to the application of any monies paid to or by the direction of the Bond Trustee or the Receiver.

**21.3 Purchaser Defined**

In Clauses 21.1 (*Protection of third parties*) and 21.2 (*Receipt absolute discharge*) "**purchaser**" includes any person acquiring in good faith, for money or money's worth, the benefit of any Security Interest over, or any other interest or right whatsoever in relation to, the Issuer Charged Property.

**22. PROTECTION OF BOND TRUSTEE AND RECEIVER**

**22.1 Protection of Bond Trustee and Receiver**

The Bond Trustee shall not nor shall any Receiver, attorney or agent of the Bond Trustee by reason of taking possession of the Issuer Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever:

22.1.1 be liable to account to the Issuer or any other person whatsoever for anything except actual receipts; or

22.1.2 be liable to the Issuer or any other person whatsoever for any loss or damage arising from realisation of the Issuer Charged Property or any part thereof or from any act, default or omission in relation to the Issuer Security or any part thereof or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to the Issuer Charged Property or any part thereof or otherwise,

unless such loss or damage shall be caused by its own gross negligence, wilful default or fraud.

**22.2 Entry into possession**

Without prejudice to the generality of Clause 22.1 (*Protection of Bond Trustee and Receiver*), the Bond Trustee shall not be obliged to enter into possession of the Issuer Charged Property and entry into possession of the Issuer Charged Property or any part thereof shall not render the Bond Trustee or the Receiver liable to account as mortgagee or security holder in possession or liable for any loss on realisation or for any default or omission for which a mortgagee or security holder in possession might be liable.

**22.3 Going out of possession**

If and whenever the Bond Trustee or the Receiver enters into possession of the Issuer Charged Property, it shall be entitled at any time at its discretion to go out of such possession.

**22.4 Incorporation of Protective Provisions**

In acting hereunder, the Bond Trustee shall be entitled to rely on all of the provisions protecting the Bond Trustee from liability contained in the Finance Documents and the Issuer Transaction Documents including, without limitation, the provisions of clause 17

(*Supplement to the Trustee Acts*) of the Bond Trust Deed *mutatis mutandis* as though such provisions were set out in full herein.

22.5 **Cancellation of Issuer Liquidity Facility**

The Bond Trustee shall, if requested by the Issuer, consent to the cancellation of the whole or part of the facility provided under any Issuer Liquidity Facility Agreement in accordance with the terms of such Issuer Liquidity Facility Agreement if a director of the Issuer (or the Issuer Cash Manager on its behalf) has certified to the Bond Trustee that such cancellation will not cause a Trigger Event pursuant to paragraph 3(b) of part 1 (*Trigger Events*) of schedule 3 (*Trigger Events*) to the Common Terms Agreement to occur.

23. **OTHER SECURITY**

The Issuer Security is cumulative, in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by, any other Security Interest, security, right or recourse or other right whatsoever which the Bond Trustee may now or at any time after the date of this Issuer Deed of Charge hold or have (or would apart from the provisions of this Issuer Deed of Charge hold or have) as regards the Issuer or any other person in respect of the Issuer Secured Liabilities.

24. **APPLICATION TO COURT**

The Bond Trustee may at any time after the date on which the Issuer Security becomes enforceable apply to any court of competent jurisdiction for an order that the terms of this Issuer Deed of Charge be carried into execution under the direction of the court and for the appointment of a Receiver of the Issuer Charged Property and for any other order in relation to the administration of the terms of this Issuer Deed of Charge as the Bond Trustee shall deem fit and the Bond Trustee may assent to or approve any application made to the Court by the Issuer Secured Creditors and shall be indemnified by the Issuer against all costs, charges and expenses properly incurred by it in relation to any such application or proceedings.

25. **POWER OF ATTORNEY**

25.1 **Appointment of Attorneys and Purposes of Appointment**

Subject to Clause 25.5 (*Security*), the Issuer appoints the Bond Trustee and any Receiver jointly and severally to be its attorneys (each, an "**Attorney**" and together, the "**Attorneys**") for the following purposes in the Issuer's name, on its behalf and as its act and deed at any time following the service of a Bond Enforcement Notice which has not been withdrawn (other than in respect of the purpose described below in sub-clause 25.1.5 which applies at any time):

25.1.1 to exercise the Issuer's rights, powers and discretions in respect of the Issuer Transaction Documents and each contract, agreement, deed and document present and future, to which the Issuer is or may become a party;

25.1.2 to demand, sue for and receive all monies due or payable under or in respect of the Issuer Transaction Documents and each contract, agreement, deed and document present and future, to which the Issuer is or may become a party;

- 25.1.3 to do every act or thing which the Attorneys may deem to be necessary, proper and expedient for fully and effectually vesting, transferring or assigning the Issuer Charged Property or any part thereof and/or the estate, right, title, benefit and/or interest therein or thereto of the Issuer in or to the Attorneys and their successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Issuer could have done;
- 25.1.4 upon payment of such monies or any part thereof to give good receipt and discharge for the same and to execute such receipts, releases, surrenders, instruments and deeds as may be requisite or advisable; and
- 25.1.5 to execute, deliver and perfect all documents and do all things that the Attorneys may consider to be necessary for (i) carrying out any obligations imposed on the Issuer under this Issuer Deed of Charge or (ii) exercising any of the rights conferred on the Attorneys by this Issuer Deed of Charge or by law (including, after the security constituted by this Issuer Deed of Charge has become enforceable, the exercise of any right of a legal or a beneficial owner of the Issuer Charged Property).

**25.2 Substitution**

Each of the Attorneys may appoint one or more persons to act as substitute or substitutes in its place for all or any of the purposes referred to in Clause 25.1 (*Appointment of Attorneys and Purposes of Appointment*) and may revoke any such appointment at any time.

**25.3 Delegation**

Each of the Attorneys may delegate to one or more persons all or any of the powers referred to in Clause 25.1 (*Appointment of Attorneys and Purposes of Appointment*) on such terms as it thinks fit and may revoke any such delegation at any time.

**25.4 Ratification**

The Issuer undertakes to ratify whatever act, matter or deed the Attorneys or either of them may lawfully do or cause to be done under the authority of this Clause 25 (*Power of Attorney*) to the extent such act, matter or deed is reasonably within the power of the Issuer.

**25.5 Security**

The power of attorney contained in this Clause 25 (*Power of Attorney*) is given by way of security to secure the proprietary interests of, and the performance of the obligations of the Issuer to, the Attorneys under this Issuer Deed of Charge.

**25.6 Revocation**

The power of attorney contained in this Clause 25 (*Power of Attorney*) is irrevocable and, accordingly, for so long as the obligations referred to in Clause 25.5 (*Security*) remain undischarged, the power of attorney contained in this Clause 25 (*Power of Attorney*) shall not be revoked:

- 25.6.1 by the Issuer without the consent of each of the Attorney(s); or



25.6.2 on the occurrence of an insolvency event in respect of the Issuer.

## 26. **EFFECTIVENESS OF SECURITY**

### 26.1 **No Prejudice**

The security created by or pursuant to this Issuer Deed of Charge shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Issuer or any other person or by any variation of the terms of the trust upon which the Bond Trustee holds the security pursuant to this Issuer Deed of Charge.

### 26.2 **Remedies and Waivers**

No failure on the part of the Issuer or the Bond Trustee to exercise, or any delay in exercising, any right under this Issuer Deed of Charge shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other right under this Issuer Deed of Charge.

### 26.3 **No Liability**

To the extent permitted by law, neither the Bond Trustee nor any Receiver shall be liable by reason of:

26.3.1 taking any action permitted by this Issuer Deed of Charge;

26.3.2 any neglect or default in connection with the Issuer Charged Property; or

26.3.3 taking possession of or realising all or any part of the Issuer Charged Property provided that it has acted in accordance with this Issuer Deed of Charge,

except in the case of gross negligence, wilful default or fraud upon its part.

### 26.4 **Partial Invalidity**

If, at any time, any provision of this Issuer Deed of Charge is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Issuer Deed of Charge nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Issuer Deed of Charge is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

## 27. **RIGHTS OF ISSUER SECURED CREDITORS PURSUANT TO STID**

### 27.1 **Delivery of STID Proposals**

In accordance with the terms of the STID, if a STID Proposal is made, the Security Group Agent will deliver a copy of such STID Proposal to (among others) the Secured Creditor Representatives of the Issuer on behalf of the Issuer Secured Creditors (such Secured Creditor Representatives being, in addition to those specified in clause 9.1 (*Appointment of Secured Creditor Representatives*) of the STID, (i) in the case of the Issuer Account Bank, the Issuer Account Bank, (ii) in the case of each Agent, such Agent, (iii) in the case of each Issuer Corporate Administration Provider, such Issuer Corporate Administration Provider and (iv) in the case of each Issuer Hedge Counterparty, such Issuer Hedge Counterparty).

27.2 **Determination Dissenting Notices and Entrenched Right Dissenting Notices**

Subject as provided below in respect of the Bond Trustee and to the minimum voting requirements set out in clauses 12.4.1 and 12.4.2 of the STID, each Secured Creditor Representative of the Issuer shall be entitled (on behalf of the relevant Issuer Secured Creditor(s)) to instruct the Borrower Security Trustee to deliver a Determination Dissenting Notice or, as the case may be, a Entrenched Right Dissenting Notice (each as defined in the STID) informing the Security Group Agent that such Secured Creditor Representative (on behalf of the relevant Issuer Secured Creditor(s)) disagrees with the determination of the voting category made in the relevant STID Proposal and/or, as the case may be, the determination of whether such STID Proposal gives rise to an Entrenched Right of such Issuer Secured Creditor(s). The Bond Trustee shall not be entitled to provide such instruction as Issuer Secured Representative of the Bondholders to the extent it relates to the determination of the voting category made in the relevant STID Proposal.

27.3 **Voting on Entrenched Rights**

In the case of a STID Proposal that gives rise to an Entrenched Right where the Issuer is an Affected Borrower Secured Creditor, each Issuer Secured Creditor that is affected by such Entrenched Right (determined in accordance with clause 16.2 (*Meaning of affected*) of the STID) or the Secured Creditor Representative of such Issuer Secured Creditor on its behalf, as applicable, shall, within 10 Business Days of notification of the relevant STID Proposal, notify the Borrower Security Trustee in writing whether it consents to such STID Proposal or not. If an Issuer Secured Creditor that is affected by such Entrenched Right or the Secured Creditor Representative of such Issuer Secured Creditor on its behalf, as applicable, does not notify the Borrower Security Trustee that it does not consent to the relevant STID Proposal within the time period specified in the preceding sentence, such Issuer Secured Creditor shall be deemed to have consented to the relevant STID Proposal.

28. **VAT**

28.1 **Sums payable exclusive of VAT**

Any sum set out in any Issuer Transaction Document as payable, or otherwise payable pursuant to any Issuer Transaction Document:

28.1.1 by any person other than the Borrower Security Trustee, the Bond Trustee or any member of the Group that is a party to that Issuer Transaction Document to any other person that is a party to that Issuer Transaction Document;

28.1.2 by any member of the Group that is a party to that Issuer Transaction Document to any person other than any Specified BAA Party that is a party to that Issuer Transaction Document; or

28.1.3 by the Borrower Security Trustee or the Bond Trustee to any person other than any member of the Group or any Specified BAA Party that is a party to that Issuer Transaction Document,

shall be deemed to be exclusive of any VAT which is or becomes chargeable on any supply or supplies for which that sum (or any part thereof) is the whole or part of the consideration for VAT purposes.

## 28.2 **Sums payable inclusive of VAT**

Any sum set out in any Issuer Transaction Document as payable, or otherwise payable pursuant to any Issuer Transaction Document:

28.2.1 by any member of the Group that is a party to that Issuer Transaction Document to any Specified BAA Party that is a party to that Issuer Transaction Document;  
or

28.2.2 by the Borrower Security Trustee or the Bond Trustee to any member of the Group or any Specified BAA Party that is party to that Issuer Transaction Document,

shall be inclusive of any VAT which is or becomes chargeable on any supply or supplies for which that sum (or any part thereof) is the whole or part of the consideration for VAT purposes and section 89 of VATA shall not apply to affect the amount of such sum payable.

## 28.3 **Payment of amounts in respect of VAT**

Where:

28.3.1 any person that is a party to any Issuer Transaction Document (such person, the "**Supplier**" for the purposes of this Clause 28) makes a supply to another person that is also a party to that Issuer Transaction Document (such person, the "**Recipient**" in relation to that supply for the purposes of this Clause 28) for VAT purposes pursuant to that Issuer Transaction Document;

28.3.2 the sum which is the consideration (in whole or in part) for that supply is (or, if the consideration for that supply were in cash, would be) deemed to be exclusive of VAT in accordance with Clause 28.1 above; and

28.3.3 the Supplier is required to account to any relevant Tax Authority for any VAT chargeable on that supply,

the Recipient shall pay to the Supplier an additional amount equal to that VAT, such additional amount to be paid at the same time as paying any other consideration for that supply, save that where the consideration for that supply does not consist of, or wholly of, money, such sum shall be paid no later than five Business Days before the last day on which the Supplier can account to the relevant Tax Authority for the VAT due in respect of that supply without incurring interest or penalties and the Supplier shall (in either case) provide the Recipient with a valid VAT invoice in respect of that supply.

## 28.4 **Acquisitions and reverse charges**

In relation to any supply that gives rise to either an acquisition for VAT purposes or a Reverse Charge, where the Recipient of that supply is the Issuer, the Borrower Security Trustee or the Bond Trustee:

- 28.4.1 the consideration for such supply shall (unless the Supplier in relation thereto is the Issuer, the Borrower Security Trustee or the Bond Trustee) be reduced to such amount as, with the addition thereto of the VAT chargeable on such supply, equals the original amount payable by the Recipient; or
- 28.4.2 if the consideration does not consist of, or wholly of, money, or the consideration actually paid is less than the amount in respect of or by reference to which VAT is charged, the Supplier shall (unless it is the Issuer, the Borrower Security Trustee or the Bond Trustee) pay to the Recipient an amount equal to the VAT chargeable on the supply no later than five (5) Business Days before the last day (which the Recipient shall notify the Supplier of in writing) on which the Recipient can account to the relevant Tax Authority for the VAT due in respect of that supply without incurring interest or penalties.

## 28.5 **Costs and expenses**

- 28.5.1 References (including, for the avoidance of doubt, references within definitions) in any Issuer Transaction Document to any fee, cost, loss, disbursement, commission, damages, expense, charge or other liability incurred by the Borrower Security Trustee, the Bond Trustee or any Agent and in respect of which the Borrower Security Trustee, the Bond Trustee or any Agent (as appropriate) is to be reimbursed or indemnified by any other person under the terms of, or the amount of which is to be taken into account in any calculation or computation set out in, any Issuer Transaction Document shall include such part of such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability as represents any VAT and also any VAT for which the Borrower Security Trustee, the Bond Trustee or any Agent (as appropriate) is required to account to any relevant Tax Authority under any regime applicable to acquisitions for VAT purposes or the Reverse Charge in relation to such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability.
- 28.5.2 References in any Issuer Transaction Document to any fee, cost, loss, disbursement, commission, damages, expense, charge or other liability incurred by any person (other than the Borrower Security Trustee, the Bond Trustee or any Agent) that is a party to that Issuer Transaction Document and in respect of which such person is to be reimbursed or indemnified by any other person under the terms of, or the amount of which is to be taken into account in any calculation or computation set out in, any Issuer Transaction Document shall include such part of such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability as represents any VAT and also any VAT for which such first person is required to account to the relevant Tax Authority under any regime applicable to acquisitions for VAT purposes or the Reverse Charge in relation to such fee, cost, loss, disbursement, commission, damages,

expense, charge or other liability, but (in each such case) only to the extent that such first person is not entitled to a refund (by way of credit or repayment) in respect of such VAT from any relevant Tax Authority.

29. **DISCLOSURE OF INFORMATION**

29.1 Each Issuer Secured Creditor must keep confidential any information supplied to it (a) by or on behalf of the Issuer in connection with the Issuer Transaction Documents or of which it may otherwise have become possessed, or (b) by a Finance Party pursuant to clause 14.1.7 of the Common Terms Agreement. An Issuer Secured Creditor is, however, entitled to disclose information:

29.1.1 to any person where such information is publicly available, other than as a result of breach by that Issuer Secured Creditor of this Clause 29;

29.1.2 to any person in connection with any legal, administrative or arbitration proceedings;

29.1.3 to any person if required to do so under any law or regulation (including the rules of any applicable stock exchange or listing authority);

29.1.4 to a governmental, banking, taxation or other regulatory authority;

29.1.5 to its professional advisers (subject to first ensuring that such professional advisers are on notice that such information must be kept confidential);

29.1.6 to the Rating Agencies;

29.1.7 to an Affiliate of such Issuer Secured Creditor;

29.1.8 to any of the other Issuer Secured Creditors;

29.1.9 with the agreement of the Issuer;

29.1.10 to any person if such disclosure is expressly permitted by the Issuer Transaction Documents;

29.1.11 to any person where such information is known to that Issuer Secured Creditor otherwise than by virtue of the relationship which such Issuer Secured Creditor has with the Issuer as a result of having entered into the Issuer Transaction Documents; or

29.1.12 in the case of the Bond Trustee, to the extent it needs to disclose the same for

(a) the purpose of discharging, in such manner as it sees fit, its duties or obligations under or in connection with the Issuer Transaction Documents; or

(b) in connection with transferring or purporting to transfer its rights and obligations to a successor trustee **provided that** before a potential successor may receive any confidential information, it must agree with the

Bond Trustee to keep that information confidential on the terms of this Clause 29.1.

29.2 This Clause 29 supersedes any previous confidentiality undertaking given by an Issuer Secured Creditor in connection with the Issuer Transaction Documents prior to it becoming a party to this Issuer Deed of Charge.

30. **SUCCESSORS**

This Issuer Deed of Charge shall be binding on and enure to the benefit of each party hereto and its successors in title.

31. **CONSENT, WAIVER AND VARIATION OF ISSUER TRANSACTION DOCUMENTS**

31.1 **Consent and Waiver**

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*), the Bond Trustee may, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or (subject as provided below) any other Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Bond Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the holders of the Most Senior Class of Bonds then outstanding shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document (other than a Common Document) to which it is a party or in respect of which it holds security or determine that any Bond Event of Default shall not be treated as such for the purposes of the Bond Trust Deed PROVIDED THAT to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent and PROVIDED FURTHER THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause 31.1 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Bonds then outstanding in accordance with Condition 15(a) (*Meetings of Bondholders, Waiver and Modification*) or of a request in writing made by holders of not less than 25 per cent. in aggregate of the principal amount of the Most Senior Class of Bonds then outstanding but no such direction or request shall affect any waiver, authorisation or determination previously given or made or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Bondholders, the Receiptholders and the Couponholders and the other Issuer Secured Creditors and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Bondholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

31.2 **Issuer Transaction Documents**

Subject to Clause 31.4 (*Specific variations*), a variation of any Issuer Transaction Document (other than a Common Document) is valid only if it is in writing and signed by or on behalf of each party to such Issuer Transaction Document. A variation of a Common Document is only permitted in accordance with the STID.

### 31.3 **Variation**

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

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

PROVIDED THAT to the extent such modification under sub-clause 31.3.1 above, relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

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

### 31.4 **Specific variations**

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*), 16 (*Bond Trustee Protections*) and 20 (*Subordinated Bonds*), if the Issuer proposes to issue Subordinated Bonds, the Bond Trustee may, provided that it has received a Ratings Confirmation in relation to the then ratings of the outstanding Bonds, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class or any other Issuer Secured Creditor other than any Relevant Issuer Secured Creditor at any time and from time to time concur with the Issuer and any other relevant parties in making any modifications proposed by the Issuer (other than in respect of a Basic Terms Modification or an Entrenched Right) to (i) the Issuer Payment Priorities set out in this Deed and the Issuer Cash Management Agreement and (ii) to the Master Definitions Agreement to give effect to any amendments to or to incorporate any additional defined terms relating to the Subordinated Bonds PROVIDED THAT each of the Relevant Issuer Secured Creditors (if any) has given its prior written consent to such modifications.

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

The Bond Trustee is hereby authorised to execute and deliver on behalf of each Issuer Secured Creditor other than the Relevant Issuer Secured Creditors all documentation required to implement such modifications and such execution and delivery by the Bond Trustee shall bind each of the Bondholders, the Receiptholders, the Couponholders and such Issuer Secured Creditors as if (in the case of each such Issuer Secured Creditor) such documentation had been duly executed by it.

**31.5 Ratings Confirmation**

None of the Bond Trustee, the Bondholders or the other Issuer Secured Creditors has any right of recourse against the Rating Agencies in respect of any Ratings Confirmation given by them. Without prejudice to the foregoing, the Issuer Secured Creditors (other than the Bondholders) are deemed to agree for the benefit of the Rating Agencies only that a credit rating is an assessment of credit and does not address other matters that may be of relevance to such Issuer Secured Creditors. The Bond Trustee and such Issuer Secured Creditors agree and acknowledge that being entitled to rely on the fact that the Rating Agencies have delivered a Ratings Confirmation does not impose or extend any actual or contingent liability for the Rating Agencies to the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person or create any legal relations between the Rating Agencies and the Bond Trustee, the Bondholders, any other Issuer Secured Creditor or any other person whether by way of contract or otherwise.

**31.6 Instructions under the Senior/Subordinated Intercreditor Agreement**

If the Issuer is required to take any action as Creditors Representative or Senior Creditors Representative (as such terms are defined in the Senior/Subordinated Intercreditor Agreement) under the Senior/Subordinated Intercreditor Agreement, it agrees and is hereby instructed by each Secured Creditor Representative of the Issuer to instruct (and hereby instructs) the Borrower Security Trustee in its capacity as Majority Senior Creditors (as such term is defined in the Senior/Subordinated Intercreditor Agreement) under the Senior/Subordinated Intercreditor Agreement to act as directed, subject as provided in the STID, pursuant to and in accordance with any STID Voting Request delivered in respect of such matter.

**31.7 Issuer acting upon instructions of Issuer Qualifying Creditors**

Pursuant to paragraph 40(b) of part 3 (*General Covenants*) of schedule 2 (*Covenants*) to the Common Terms Agreement, the Issuer has agreed to consent to the amendment or waiver referred to thereunder upon being directed to do so in writing by Issuer Qualifying Creditors together holding or representing 25 per cent. or more of the Issuer Qualifying Debt. In respect of its Entrenched Right as set out in paragraph (q) of the definition of Entrenched Right, the Bond Trustee shall be required to provide the waiver referred to therein provided that the Issuer has been directed to grant such waiver in



writing by Issuer Qualifying Creditors together holding or representing 25 per cent. or more of the Issuer Qualifying Debt.

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

32.1 **No proceedings against the Issuer**

Only the Bond Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Issuer Security and no party shall be entitled to proceed directly against the Issuer to enforce the Issuer Security. Each of the Issuer Secured Creditors (other than the Bond Trustee) and the Issuer Cash Manager agrees with each of the Issuer and the Bond Trustee that:

32.1.1 neither it (nor any person on its behalf, other than the Bond Trustee where appropriate) is entitled, otherwise than as permitted by the Issuer Transaction Documents, to direct the Bond Trustee to enforce the Issuer Security or take any proceedings against the Issuer to enforce the Issuer Security;

32.1.2 it shall not have any right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

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

32.1.4 it shall not be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Issuer Payment Priorities not being complied with.

32.2 **Limited Recourse**

Each party (other than the Issuer and the Bond Trustee) agrees with each of the Issuer and the Bond Trustee that notwithstanding any other provision of any Issuer Transaction Document, all obligations of the Issuer to it, including, without limitation, the Issuer Secured Liabilities, are limited in recourse as set out below:

32.2.1 each party will have a claim only in respect of the Issuer Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;

32.2.2 the aggregate amount of all sums due and payable to each party in respect of the Issuer's obligations to such party shall reduce by the amount by which the aggregate amount of sums due and payable to such party exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable by the Issuer in accordance with the Issuer Payment Priorities

in priority to or *pari passu* with sums payable to such party), whether pursuant to enforcement of the Issuer Security or otherwise; and

- 32.2.3 upon the Bond Trustee giving written notice to the Issuer Secured Creditors that it has determined in its sole opinion, that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents, each party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.
- 32.3 To the extent not prohibited by applicable laws or regulations but otherwise notwithstanding anything to the contrary contained in this Issuer Deed of Charge or any other Issuer Transaction Document, no recourse under any obligation, covenant or agreement of any party to this Issuer Deed of Charge contained in this Issuer Deed of Charge shall be had against any shareholder, officer, director or employee of such party, as such by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Issuer Deed of Charge is solely a corporate obligation of the parties to this Issuer Deed of Charge, and that no personal liability whatever shall attach to or be incurred by the shareholders, officers, directors or employees of such parties, as such, or any of them under or by reason of any of the obligations, covenants or agreements of any such party contained in this Issuer Deed of Charge, or implied therefrom, and that any and all personal liability for breaches by any party to this Issuer Deed of Charge of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, of every such shareholder, officer, director or employee is hereby expressly waived as a condition of and in consideration for the execution of this Issuer Deed of Charge.

33. **NO ASSIGNMENT**

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

34. **SEVERABILITY**

34.1 **General**

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

- 34.1.1 in respect of such party the validity or enforceability in that jurisdiction of any other provision of this Issuer Deed of Charge;
- 34.1.2 in respect of any other party the validity or enforceability in that jurisdiction of that or any other provision of this Issuer Deed of Charge; or
- 34.1.3 in respect of any party the validity or enforceability in other jurisdictions of that or any other provision of this Issuer Deed of Charge.

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

A person who is not a party to this Issuer Deed of Charge (other than each Rating Agency in respect of Clause 31.5 (*Ratings Confirmation*)) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Issuer Deed of Charge, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

36. **NOTICES**

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

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

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

Address: 130 Wilton Road  
London SW1V 1LQ

Fax number: +44 (0) 208 745 9972

Attention: Company Secretary

36.2.2 The contact details of the Bond Trustee and the Borrower Security Trustee for this purpose are:

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

Fax number: + 44 20 7547 5919

Attention: The Managing Director (TSS-SFS)

36.2.3 The contact details of the Principal Paying Agent, Agent Bank and Transfer Agent for this purpose are:

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

Fax number: + 44 20 7547 5919

Attention: TSS-SFS (ABS/MBS Group - EMEA)

36.2.4 The contact details of the Registrar for this purpose are:

Address: c/o Deutsche Bank National Trust Company  
25 DeForest Avenue, 2nd Floor - MS SUM01-0105

Summit, NJ 07901  
New Jersey, USA

Fax number: +1 212-553-2459

Attention: Structured Finance Services - ABS

36.2.5 The contact details of the Issuer Account Bank for this purpose are:

Address: Securitisation Support  
P.O. Box 62635  
35 New Broad Street  
London EC2P 2EF

Fax Number: + 44 20 7085 4543

Email: Securitisation.Support@rbs.com

With copy to: UK Corporate Coverage  
Level 7, 135 Bishopsgate  
London EC2M 3UR

Fax Number: + 44 20 7085 8166

Attention: Managing Director, UKCC Infrastructure

36.2.6 The contact details of the Issuer Cash Manager and Bond Guarantor for this purpose are:

Address: 130 Wilton Road  
London SW1V 1LQ

Fax number: +44 20 8745 9972

Attention: Company Secretary

36.2.7 The contact details of the Issuer Liquidity Facility Agent for this purpose are:

Operations Address: Lloyds TSB Bank plc  
Bank House  
Wine Street  
Bristol  
B51 2AN

Fax Number: 020 7158 3204

Attention: Wholesale Loans Servicing

Non-Operations Address: Lloyds TSB Bank plc  
10 Gresham Street  
London EC2V 7AE

Fax Number: 020 7158 3158

Attention: Wholesale Loans Agency

36.2.8 The contact details of Initial Issuer Hedge Counterparties for this purpose are:

(a) in the case of Citibank N.A., London Branch:

Address: Citibank, N.A., London Branch  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Attention: Head of Structured Support Team

Facsimile No.: +44 (0) 20 8636 3868

with a copy to

Address: Citibank, N.A., London Branch  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Attention: Head of Trading Legal Services, Europe

Facsimile No.: +44 (0) 20 7508 9118/9

(b) in the case of The Royal Bank of Scotland plc:

Address: c/o RBS Global Banking & Markets  
280 Bishopsgate  
London, EC2M 4RB

Attention: Swaps Administration

Fax: +44 (0) 20 7085 5050

Telephone: +44 (0) 20 7085 5000

with a copy to:

Address: c/o RBS Global Banking & Markets  
135 Bishopsgate  
London, EC2M 3UR

Attention: Head of Legal, Global Banking & Markets

Fax: +44 (0) 20 7085 8411

(c) in the case of Banco Bilbao Vizcaya Argentaria, S.A.:

Address: Banco Bilbao Vizcaya Argentaria, S.A  
Via de los Poblados s/n, 4 floor  
28033 Madrid

Fax Number: +34 91 537 0955 (documentation)  
+34 91 374 3135 (payments)

Attention: Treasury department - Documentation  
Isabel Martín Hickman

(d) in the case of Caja de Ahorros y Monte de Piedad de Madrid:

Address: Caja de Ahorros y Monte de Piedad de Madrid  
Paseo de la Castellana, 189 28046  
Madrid, Spain

Fax Number: 00 34 91 423 92 82

Attention: Maria Magdalena Gonzalez Vallejo  
Carlos Cubillo Marin  
José Luis López Rubio

(e) in the case of Banco Santander, S.A.:

Address: Banco Santander, S.A.  
Ciudad Grupo Santander  
Avenida del Cantabria  
28660 Boadilla Del Monte,  
Madrid, Spain

Fax Number: +34 91 257 0118

Attention: Andrew Hamper  
International Debt and Derivatives  
Legal Department - Madrid

(f) in the case of BNP Paribas:

Address: BNP PARIBAS  
10 Harewood Avenue  
London NW1 6AA

Fax Number: Legal and Transaction Management Group - ISDA

Attention: +44 (0) 207 595 2555

with a copy to:

Address: 3 rue Taitbout  
75009 Paris  
France

Fax Number: + 33 (0) 1 4014 0114/ 5577 3261

Attention: Legal and Transaction Management Group - ISDA

(g) in the case of Calyon:

Address: CALYON, S.A.  
Paseo de la Castellana, 1  
28046 Madrid  
Spain

Fax Number: + 34 91 4327502 / 03

Attention: Ignacio Abarategui

(h) in the case of HSBC Bank plc:

Address: HSBC Bank plc  
Level 3, 8 Canada Square  
London E14 5HQ

Tel Number: Lee Frewin

Attention: 0207 991 1308

with a copy to:

Address: HSBC Bank plc  
Level 2, 8 Canada Square  
London E14 5HQ

Tel Number: Gary Plummer

Attention: 0207 991 9303

36.2.9 The contact details of the Issuer Corporate Administration Providers for this purpose are:

(a) in the case of Mourant & Co. Limited:

Address: 22 Grenville Street  
St Helier  
Jersey JE4 8PX

Fax number: +44 1534 609333

Attention: MIFA Corporate 7

(b) in the case of Mourant & Co. Capital (SPV) Limited:

Address: 8th Floor,  
68 King William Street  
London  
EC4N 7DZ

Fax number: 020 7469 8198

Attention: Head of UK Corporate

- 36.3 Any party may change its contact details by giving five Business Days' notice to the Bond Trustee or (in the case of the Bond Trustee) to the other parties.
- 36.4 Where a party nominates a particular department of officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.
- 36.5 Except as provided below, any communication in connection with this Issuer Deed of Charge will be deemed to be given as follows:
- 36.5.1 if delivered in person, at the time of delivery;
  - 36.5.2 if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
  - 36.5.3 if by fax, when received in legible form; or
  - 36.5.4 if by email or any other electronic communication, when received in legible form.
- 36.6 Any communication given under Clause 36.5 above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- 36.7 A communication to the Bond Trustee will only be effective on actual receipt by it.

37. **GOVERNING LAW**

This Issuer Deed of Charge and all matters arising from or connected with it shall be governed by English law.

38. **ENFORCEMENT**

- 38.1 The English courts have exclusive jurisdiction to settle any dispute in connection with this Issuer Deed of Charge.
- 38.2 The English courts are the most appropriate and convenient courts to settle any such dispute and each party other than the Bond Trustee waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Issuer Deed of Charge.
- 38.3 This Clause 38 is for the benefit of the Bond Trustee only. To the extent allowed by law, the Bond Trustee may take:
- 38.3.1 proceedings in any other court; and
  - 38.3.2 concurrent proceedings in any number of jurisdictions.
- 38.4 The Issuer agrees that the documents which start any proceedings relating to a dispute ("**Proceedings**") and any other documents required to be served in relation to those



Proceedings may be served on it by being delivered to BAA Limited at 130 Wilton Road, London SW1V 1LQ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Bond Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer. Nothing in this paragraph shall affect the right of the Bond Trustee or any other person to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

39. **COUNTERPARTS**

This Issuer Deed of Charge may be executed manually or by facsimile in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Issuer Deed of Charge.

40. **EXECUTION**

The parties have executed this Issuer Deed of Charge as a deed and intend to deliver, and do deliver, this Issuer Deed of Charge on the date stated at the beginning of this Issuer Deed of Charge.

**SCHEDULE 1**  
**INITIAL ISSUER HEDGE COUNTERPARTIES**

Banco Bilbao Vizcaya Argentaria S.A.

Banco Santander S.A.

Barclays Bank PLC

BNP Paribas

Caja De Ahorros y Monte De Piedad De Madrid

CALYON

Citibank N.A., London Branch

HSBC Bank plc

Morgan Stanley & Co. International plc

The Royal Bank of Scotland plc

**SCHEDULE 2**  
**FORM OF ACCESSION MEMORANDUM**

THIS DEED dated [•] is supplemental to the issuer deed of charge (the "**Issuer Deed of Charge**") dated [•] and made between, *inter alios*, Deutsche Trustee Company Limited as "**Bond Trustee**" and BAA Funding Limited as the "**Issuer**" (as the same may from time to time be amended, restated, novated or supplemented).

Words and expressions defined or incorporated by reference in the Issuer Deed of Charge have the same meaning when used in this Deed.

[*Additional Issuer Secured Creditor*] (the "**Additional Issuer Secured Creditor**") of [*address*] agrees with each other person who is or who becomes a party to the Issuer Deed of Charge that, with effect from [*insert date*], the Additional Issuer Secured Creditor will become a party to and be bound by the Issuer Deed of Charge as an Issuer Secured Creditor.

The Issuer Secured Liabilities of the Additional Issuer Secured Creditor comprise [*describe*] and the Issuer Transaction Documents for the Additional Issuer Secured Creditor (copies of which are attached to this Deed) are: [*insert details of Issuer Transaction Documents*].

The execution of this Deed by the Issuer and the Additional Issuer Secured Creditor is deemed to constitute notice by the Issuer to the Additional Issuer Secured Creditor of the assignment by the Issuer of its Benefit under each Issuer Transaction Document (other than the Trust Documents) to the Bond Trustee for itself and on behalf of the Issuer Secured Creditors and the Additional Issuer Secured Creditor acknowledges such assignment.

The notice details for the Additional Issuer Secured Creditor are:

[*insert address, telephone, fax and contact details*]

This Deed is governed by English law.

This Deed has been entered into as a deed and delivered on the date stated at the beginning of this Deed.

Executed as a Deed by  
**BAA FUNDING LIMITED**

Executed as a Deed by  
**DEUTSCHE TRUSTEE COMPANY LIMITED**

Executed as a Deed by  
**[ADDITIONAL ISSUER SECURED CREDITOR]**

**EXECUTION PAGES**

**THIS ISSUER DEED OF CHARGE** has been executed as a deed by all the parties hereto and is delivered by them on the date specified above.

**The Issuer**

**EXECUTED AS A DEED** by  
**BAA FUNDING LIMITED**  
acting by

Director:

**Bond Trustee and Borrower Security Trustee**

The common seal of )  
**DEUTSCHE TRUSTEE COMPANY LIMITED** )  
was affixed to this deed in the )  
presence of: )

Director:

**Principal Paying Agent and Agent Bank**

**EXECUTED** as a deed by  
**DEUTSCHE BANK AG, LONDON BRANCH**  
acting by

By:

By:

**U.S. Paying Agent, Exchange Agent, Transfer Agent and Registrar**

**EXECUTED** as a deed by  
**DEUTSCHE BANK TRUST COMPANY AMERICAS**  
acting by

By:

By:

**Issuer Account Bank**

**EXECUTED** as a deed by  
**THE ROYAL BANK OF SCOTLAND PLC**  
acting by

Attorney:

Witness:

**Issuer Cash Manager**

**EXECUTED** as a deed by  
**BAA LIMITED**  
acting by

Director:

Director/Secretary/Witness:

**Issuer Liquidity Facility Provider**

**EXECUTED** as a deed by  
**LLOYDS TSB BANK PLC**  
acting by

Authorised Signatory:

Witness:

**Issuer Liquidity Facility Agent**

**EXECUTED** as a deed by  
**LLOYDS TSB BANK PLC**  
acting by

Authorised Signatory:

Witness:

**Initial Issuer Hedge Counterparties**

**EXECUTED** as a deed by  
**BANCO BILBAO VIZCAYA ARGENTARIA S.A.**

Authorised Signatory:

Authorised Signatory:

**EXECUTED** as a deed by  
**BANCO SANTANDER, S.A.**

By:

By:

**EXECUTED** as a Deed by  
**BARCLAYS BANK PLC**

Authorised Signatory:

Authorised Signatory:

**EXECUTED** as a deed by  
**BNP PARIBAS**

By:

By:

**EXECUTED** as a deed by  
**CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID**

By:

By:

**EXECUTED** as a deed by  
**CALYON**

Authorised Signatory:

Authorised Signatory:

**EXECUTED** as a deed by  
**CITIBANK N.A., LONDON BRANCH**

Authorised Signatory:

Witness:

**EXECUTED** as a deed by  
**HSBC BANK PLC**

Authorised Signatory:

Witness:

**EXECUTED** as a Deed by:  
**MORGAN STANLEY & CO. INTERNATIONAL PLC**

Authorised Signatory:

Authorised Signatory:

**EXECUTED** as a deed by  
**THE ROYAL BANK OF SCOTLAND PLC**  
acting by

Attorney:

Witness:

**Bond Guarantor**

**EXECUTED** as a deed by

**BAA LIMITED**

acting by

Director:

Director/Secretary/Witness:

**Issuer Corporate Administration Providers**

**EXECUTED** as a deed by

**MOURANT & CO LIMITED**

acting by

Director:

**EXECUTED** as a deed by

**MOURANT & CO. CAPITAL  
(SPV) LIMITED**

acting by

Director:

Director/Secretary/Witness: