

**THE COMMISSIONERS OF HER MAJESTY'S TREASURY**

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**GUARANTEE**

**in respect of the**

**2009 ASSET-BACKED SECURITIES  
GUARANTEE SCHEME**

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THIS DEED OF GUARANTEE is made on 22 April 2009

BY

- (1) **THE COMMISSIONERS OF HER MAJESTY'S TREASURY** of 1 Horse Guards Road, London SW1A 2HQ (the "**Guarantor**");

IN FAVOUR OF

- (2) **THE BENEFICIARIES** (as defined below).

RECITALS

- (A) Each Eligible ABS Institution undertakes the business of providing banking and other financial services.
- (B) Each Eligible ABS Institution has requested or may from time to time request the Guarantor to provide the guarantees referred to in Clauses 2 and 3 of this Guarantee in respect of Eligible Securities.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

**1. Interpretation**

***Definitions***

- 1.1 In this Guarantee and the Recitals hereto the following expressions have the following meanings:

"**ABS**" means asset-backed securities;

"**ABS Eligibility Certificate**" means the certificate issued pursuant to ABS Rule 5.4 by the Guarantor to an Eligible ABS Institution confirming that the liabilities specified in the schedule to such certificate will, upon issue of the relevant Eligible Securities, be Guaranteed Liabilities;

"**ABS Eligibility Criteria**" means the criteria set out in annex 6 to the ABS Rules;

"**ABS Rules**" or "**Rules**" means the rules of, and annexes to, the 2009 Asset-backed Securities Guarantee Scheme as varied, amended, supplemented or substituted and in force from time to time;

"**ABS Scheme Institution Certificate**" means the certificate to be issued pursuant to ABS Rule 3.3 by the Guarantor to an institution confirming the registration of the institution as a participant in the 2009 Asset-backed Securities Guarantee Scheme described in the Market Notice entitled "Outline of the UK Government's 2009 Asset-backed Securities Guarantee Scheme" issued by the Guarantor and the United Kingdom Debt Management Office on 22 April 2009;

**"ABS Transaction"** means an ABS transaction the subject of an application made under ABS Rule 4.1;

**"ABS Transaction Documentation"** means the documentation governing an ABS Transaction including the documentation constituting the Eligible Securities;

**"ABS Transaction Eligibility Criteria"** means the criteria set out in annex 5 to the ABS Rules;

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

**"Beneficiaries"** means the persons to whom the Guaranteed Liabilities are from time to time owed but shall not include any Excluded Beneficiaries;

**"Call Date"** means the date, prior to the legal final maturity of an Eligible Security, on which the Eligible ABS Call in respect of that Eligible Security may be exercised by the Issuer;

**"Call Price"** means, unless otherwise agreed by the Guarantor in writing in respect of an Eligible ABS Call, the amount specified in an ABS Eligibility Certificate which is payable in respect of an Eligible ABS Call on the Call Date;

**"Eligible ABS Call"** means the right of an Issuer of an Eligible Security to purchase, repurchase or redeem the Eligible Security on a Call Date at the Call Price, as specified in an ABS Eligibility Certificate;

**"Eligible ABS Institution"** means any institution to whom the Guarantor has issued an ABS Scheme Institution Certificate;

**"Eligible ABS Put"** means the right of a holder of an Eligible Security to oblige the Issuer to purchase, repurchase or redeem the Eligible Security on a Put Date at the Put Price, as specified in an ABS Eligibility Certificate;

**"Eligible ABS Transaction"** means an ABS Transaction which complies with the ABS Transaction Eligibility Criteria;

**"Eligible Security"** means an asset-backed security which complies with the ABS Eligibility Criteria and which is issued or to be issued pursuant to an Eligible ABS Transaction;

**"Excluded Beneficiaries"** means, in respect of an Eligible Security, the relevant Issuer, the relevant Eligible ABS Institution and each of their Affiliates and any person holding such Eligible Security on behalf or for the account of any of the foregoing;

**"Guarantee Expiry Date"** means, in respect of an Eligible Security, the date specified in the ABS Eligibility Certificate as the expiry date for the guarantee in respect of that Eligible Security referred to in Clauses 2 or 3, as the case may be;

**"Guaranteed Credit Liabilities"** means the liabilities of an Issuer to make payments when due and payable of interest and principal in respect of an Eligible Security as specified in any ABS Eligibility Certificate, and **"Guaranteed Credit Liability"** means any one of the Guaranteed Credit Liabilities;

**"Guaranteed Liabilities"** means the Guaranteed Credit Liabilities and the Guaranteed Liquidity Liabilities, and **"Guaranteed Liability"** means any one of the Guaranteed Liabilities;

**"Guaranteed Liquidity Liabilities"** means:

- (i) the amount due and payable on the Call Date by the Issuer in respect of an Eligible ABS Call following the exercise of an Eligible ABS Call by the Issuer or the amount which would have been so due and payable by the Issuer had the Eligible ABS Call been exercised by the Issuer; and
- (ii) (following the exercise of an Eligible ABS Put by the holder thereof) the amount due and payable on a Put Date by the Issuer in respect of the Eligible ABS Put or (following the exercise of an Eligible ABS Put by the holder thereof) the amount which would have been so due and payable by the Issuer in respect of the Eligible ABS Put but for any condition to the obligation of the Issuer under the Eligible ABS Put (save for the exercise of the Eligible ABS Put by the holder thereof) as specified in the terms of the Eligible Security;

**"Guaranteed Liquidity Liability"** means any one of the Guaranteed Liquidity Liabilities;

**"Holding Company"** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

**"Issuer"** means an issuer of Eligible Securities;

**"Put Date"** means the date, prior to the legal final maturity of an Eligible Security, on which the Eligible ABS Put in respect of that Eligible Security may be exercised by the holder thereof;

**"Put Price"** means, unless otherwise agreed by the Guarantor in writing in respect of an Eligible ABS Put, the amount specified in an ABS Eligibility Certificate which is payable in respect of an Eligible ABS Put on the Put Date; and

**"Subsidiary"** means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

### ***Construction***

#### **1.2 Any reference in this Guarantee:**

- (A) to a Clause is, unless otherwise stated, to a clause hereof;
- (B) to **"this Guarantee"** shall be deemed to be a reference to this Guarantee as a whole and not limited to the particular clause, schedule or provision in which the



relevant reference appears, and to this Guarantee as varied, amended, supplemented or substituted from time to time;

(C) to the “**ABS Rules**” or an “**ABS Rule**” shall be deemed to be a reference to the ABS Rules or that ABS Rule, as the case may be, as varied, amended, supplemented or substituted and in force from time to time;

(D) to a person includes any individual, firm, company, corporation or any association, trust, joint venture, consortium or partnership (whether or not having legal personality); and

(E) to a provision of law is a reference to that provision as amended or re-enacted.

1.3 The headings in this Guarantee are inserted for convenience only and shall be of no legal effect.

1.4 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.

## **2. Credit Guarantee**

### ***Credit Guarantee***

2.1 Subject to Clauses 2.2 and 5 below, the Guarantor hereby irrevocably:

(A) guarantees to the Beneficiaries the payment by each Issuer of the Guaranteed Credit Liabilities of that Issuer; and

(B) undertakes to the Beneficiaries that:

(i) whenever an Issuer does not pay any Guaranteed Credit Liability in respect of an Eligible Security when it becomes due and payable by that Issuer; and

(ii) following the expiry of the applicable grace period specified in that Eligible Security,

the Guarantor shall, on demand made in accordance with the ABS Rules, pay that Guaranteed Credit Liability to the Beneficiaries.

### ***Expiry of Credit Guarantee***

2.2 The Guarantor shall not be liable under Clause 2.1 in respect of any Guaranteed Credit Liability in respect of an Eligible Security which becomes or is due and payable at any time after the Guarantee Expiry Date.

### **3. Liquidity Guarantee**

#### ***Liquidity Guarantee***

3.1 Subject to Clauses 3.2, 3.3 and 5 below, the Guarantor hereby irrevocably undertakes to the Beneficiaries that:

- (A) whenever the Issuer does not pay any Guaranteed Liquidity Liability in respect of an Eligible Security:
  - (i) on the Put Date, in respect of an Eligible ABS Put following its exercise by the holder thereof; or
  - (ii) on the Call Date, in respect of an Eligible ABS Call; and
- (B) following the expiry of any applicable grace period specified in that Eligible Security,

the Guarantor shall, on demand made in accordance with the ABS Rules, purchase that Eligible Security in accordance with the ABS Rules in an amount equal to either:

- (i) (in the case of an Eligible ABS Put) the Put Price; or
- (ii) (in the case of an Eligible ABS Call) the Call Price.

#### ***Conditions***

3.2 The obligations of the Guarantor to any Beneficiary under an Eligible ABS Put or an Eligible ABS Call (as the case may be) pursuant to Clause 3.1 shall be in all respects conditional upon the delivery to the Guarantor (or to its order) of the Eligible Security against payment to the relevant Beneficiaries (or to their order) by the Guarantor of the Put Price or the Call Price (as the case may be).

#### ***Expiry of Liquidity Guarantee***

3.3 The Guarantor shall not be liable under Clause 3.1 in respect of any Guaranteed Liquidity Liability in respect of an Eligible Security which becomes or is due and payable at any time after the Guarantee Expiry Date.

### **4. Early demands**

Where a demand is made in respect of any Guaranteed Liability prior to the date such Guaranteed Liability is due for payment, such demand shall be deemed not to have been made until the due date for payment.

### **5. Amendments to Guaranteed Liabilities**

The Guarantor shall not be liable under Clause 2.1 or 3.1 in respect of any Guaranteed Liability which has been varied, amended, waived, released, novated, supplemented, extended or restated in any respect without the prior written consent of the Guarantor.

## **6. Payments**

All payments to be made by or on behalf of the Guarantor under this Guarantee shall be made in the manner specified in the ABS Rules.

## **7. Preservation of rights**

### ***Continuing obligations***

- 7.1 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Guaranteed Liabilities.

### ***Time and indulgence***

- 7.2 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Guarantee or by law shall be discharged, impaired or otherwise affected by the winding-up, administration, liquidation or dissolution of any Issuer or Eligible ABS Institution or any analogous proceeding in any jurisdiction.

## **8. Benefit of Guarantee**

### ***Benefit***

- 8.1 This Guarantee shall enure to the benefit of each Beneficiary and its successors and such successors shall be entitled to enforce this Guarantee against the Guarantor.

### ***Limitation***

- 8.2 An Eligible Security may not have the benefit of both the guarantee referred to in Clause 2 and the guarantee referred to in Clause 3.

## **9. Amendments to Guarantee**

The Guarantor may amend the terms of this Guarantee at any time at its discretion upon giving notice to the Eligible ABS Institutions in accordance with Clause 10.2, provided that such amendment is not prejudicial to the interests of the Beneficiaries and, in particular, the Guarantor will not amend the terms of this Guarantee if the amendment would prejudice its eligibility to count as eligible unfunded credit protection under Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions.

## **10. Notice**

### ***Giving of notices to the Guarantor***

- 10.1 All notices or other communications to the Guarantor under or in connection with this Guarantee shall be given in accordance with the ABS Rules.



***Giving of notices to the Beneficiaries and Eligible ABS Institutions***

- 10.2 All notices or other communications to the Beneficiaries or to Eligible ABS Institutions under or in connection with this Guarantee shall be given in accordance with the ABS Rules.


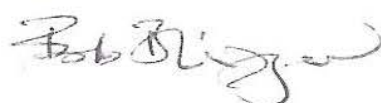
**11. Governing law**

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

**IN WITNESS** whereof this Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered as a deed.

**SIGNATURES**

EXECUTED as a deed by  
THE COMMISSIONERS OF HER  
MAJESTY'S TREASURY in the  
presence of:

)   
)  
)   
)

Two of The Commissioners of  
Her Majesty's Treasury

Witness's signature:



Name:

Mike Dawes

Address:

Her Treasury  
1 Horse Guards Rd  
SW1A 2HQ

